Daily Report

Soviet Union

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NOTICE TO READERS: As of 13 March 1991, Moscow domestic radio sourcelines in the DAILY REPORT will reflect how a station identifies itself. This change eliminates the "Domestic Service" designation in favor of the station identification as broadcast. The presence of a new radio sourceline reflects this change in policy, rather than the establishment of a new station or network.

An * indicates material not disseminated in electronic form.

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Churkin 25 March News Briefing Reported

U.S. Statement on Border 'Absurd'

LD2503145391 Moscow TASS International Service in Russian 1407 GMT 25 Mar 91

[By TASS diplomatic correspondents Aleksandr Kanishchev and Sergey Postanogov]

[Text] Moscow, 25 Mar (TASS)—At a briefing today Vitaliy Churkin, chief of the Information Directorate of the USSR Ministry of Foreign Affairs, described the statement by a representative of the U.S. State Department about the fact that the United States recognizes the borders of the USSR as they were in 1933 as "contradicting the norms of international law and essentially absurd." The statement was made at a briefing in Washington on 20 March.

"This statement is tantamount to an attempt to revise the borders of the Soviet Union," the representative of the USSR Ministry of Foreign Affairs declared.

At the same time, replying further to journalists' questions, Vitaliy Churkin did not exclude the possibility of "a slip of the tongue" by the representative of the U.S. State Department. "Although, if it was a slip of the tongue," he added, "sufficient time has passed for it to be corrected."

Having touched upon the far eastern borders of the Soviet Union concerning a question by a Japanese journalist relating to the so-called "northern territories," Vitaliy Churkin stressed that "those tenets of international law applying to the borders of the USSR in general also apply to the borders of the USSR in the Far East.

Denies Summit Agenda Request

LD2503145991 Moscow TASS in English 1442 GMT 25 Mar 91

[By TASS correspondents Aleksandr Kanishchev and Sergey Postanogov]

[Text] Moscow March 25 TASS—A Soviet Foreign Ministry spokesman today denied western reports quoting an unidentified U.S. Administration official that Moscow had asked that the next Soviet-American summit in Moscow in May have no fixed agenda.

Vitaliy Churkin told a briefing here: "These reports do not correspond to reality. This needs to be said to debunk any false rumours."

"We are for consistent political dialogue with the United States at every level, considering it an important factor for positive changes in the world," the spokesman added.

He said "it was the sides' mutual understanding that the summit be held in the first half of the current year".

"This meeting should be substantial and productive", Churkin said, singling out a "landmark" treaty on strategic offensive arms as the most important result expected by the Soviet side.

He said related matters were discussed during U.S. Secretary of State James Baker's recent visit to Moscow.

Details Summit Agenda

LD2503183991 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 25 Mar 91

[Remarks by Vitaliy Churkin, USSR Foreign Ministry spokesman, at a USSR Foreign Ministry Information Department briefing for foreign and Soviet journalists in Moscow on 25 March—recorded]

[Text] The international press is, for understandable reasons, paying close attention to the theme of Soviet-U.S. contacts, particularly at the highest level. Our position on this is clear. We favor a stable political dialogue with the United States at all levels and consider this an important factor in the positive changes taking place in the world. On the issue of the next summit, the sides have arranged by mutual accord to hold it during the first half of this year. It is understandable that such a meeting must be weighty and productive. First and foremost, it is planned to sign a landmark [etapnyy] treaty on strategic offensive weapons. These issues were also discussed during U.S. Secretary of State Baker's recent visit to Moscow. Then isolated reports appeared quoting an anonymous representative of the U.S. Administration, asserting that the Soviet side had requested that the summit be held in Moscow in May, and with no definite agenda. I would like to make it clear that these reports do not correspond to reality. We are clarifying this now to avoid all kinds of misinterpretations.

The second topic: At a briefing in Washington, the U.S. State Department spokesman alluded to the effect that the United States recognizes the USSR'S borders as they stood in 1933. This statement is tantamount to an attempt to revise the Soviet Union's borders. As such, it is in blatant contradiction to the norms of international law and is in essence absurd.

U.S. Intentions in Gulf Security Underscored

LD2503165591 Moscow TASS in English 1624 GMT 25 Mar 91

[by TASS international observer Yuriy Tyssovskiy]

[Text] Moscow March 25 TASS—Reports from the Gulf suggest an alarming idea that an "Arab factor" will play a mere symbolic role in a peace settlement in the region.

Even before the allied forces' victory over Iraq, the problem of creating reliable security structures for the Gulf countries, absorbed state figures in the Arab world and many Western countries. With all their diversity, the opinions voiced could be reduced to one maxim—peace in the Gulf could be ensured first and foremost by states in the region themselves. Foreign military involvement in the region, not to mention its escalation, could lead to unpredictable consequences.

Many people feared then that having won a victory, Washington could neglect collective interests of the Gulf

countries and try to thrust U.S. military contingent's deployment upon them. It seems that the fears are beginning to take shape.

THE NEW YORK TIMES newspaper today informed its readers that the Pentagon is close to an agreement with Bahrain on the creation of U.S. Central Command headquarters there.

According to the newspaper, U.S. Defence Secretary Richard Cheney and Chairman of the U.S. Joint Chiefs of Staff Colin Powell insist on permanent deployment of a contingent of U.S. land troops in Saudi Arabia as part of united structures to ensure regional security with the participation of Arab countries.

The concern of the world public opinion will certainly grow. The Islamic world will undoubtedly react more and more nervously on the very presence of an alien body close to the sacred cities of Mecca and Medina, not to mention its great combat potential.

U.S. military circles should not hasten. It would be much more preferable to focus on developing a security system in the Gulf with the particiation of all countries in the region, including Iran, and creating Arab military contingents of other states, such as Syria and Egypt.

The United Nations could also make a great contribution in developing a regional security system. Such an approach could resolve all disputable issues.

Speaking about the problem in an interview with the German magazine DER SPIEGEL, President Mikhail Gorbachev noted that "there should remain nothing in the region that could cause anxiety or be fraught with emerging new conflicts."

The restoration of the situation in the region that existed before the Iraqi invasion of Kuwait, could help reach this. Neglect of this condition could bring back instability to the region with all ensuing consquences.

USSR Submits Gulf Peace Plan at UN

LD2603085891 Moscow TASS in English 0819 GMT 26 Mar 91

[By TASS correspondent Yevgeniy Menkes]

[Text] United Nations March 26 TASS—The Soviet Union submitted a document outlining its approach to a post-war settlement in the Gulf to the community of nations. The document was published at the U.N. as an official document of the U.N. Security Council on Monday.

The key role in a post-crisis settlement undoubtedly belongs to the countries situated in the region. The lessons of the crisis call for consistent steps to curb the arms race in the region. The foreign military presence should not exceed the levels that existed there as of August 1, 1990, the document states.

The document emphasises the need to establish economic cooperation among the countries of the region, points to important functions of the U.N. in a post-war settlement, and calls for work towards removing political causes of instability in the Gulf and in the Middle East as a whole.

Ideas set out in the Soviet document have been regarded with much interest here. It was published as consultations among the delegations of the five permanent members of the U.N. Security Council discussing a draft resolution on a post-war reconstruction in the region entered a decisive phase.

Shevardnadze Interviewed on Current Issues

PM2503165191 Moscow IAN PRESS RELEASE in English 15 Mar 91

[Interview with Eduard Shevardnadze, president of the Soviet Foreign Policy Association, by IAN's Vladimir Markov; place and date not given; first paragraph is editorial introduction: "Eduard Shevardnadze on a Gulf Settlement and Soviet Foreign Policy"]

[Text] Eduard Shevardnadze, the President of the Foreign Policy Association and the former Soviet Foreign Minister speaks below to Novosti's Vladimir Markov.

[Markov] How do you assess the results of the war in the Persian Gulf area?

[Shevardnadze] I have always been an advocate of a clear-cut and tough policy in relation to the curbing of aggression. This is the policy we pursued in the UN Security Council; Mikhail Gorbachev and George Bush discussed it in Helsinki. I also repeatedly set out this position in my conversations with the representatives of Iraq. Moreover, we explicitly told the Iraqis what outcome their dangerous gamble would lead to.

The crime perpetrated against Kuwait could not be left unpunished. The civilised world has stood the acid test. As a result more favourable conditions are developing for the construction of a new world order. History shows that peoples who have gone through the ordeal of totalitarianism acquire an immunity to it. I think there are ground for hope that it will also be so in Iraq.

[Markov] The task of a post-crisis settlement in the Gulf and the Middle East as a whole is now coming to the fore. What is, in your opinion, the best way to start its accomplishment?

[Shevardnadze] The Soviet Union has worked out serious proposals on this account, largely coinciding with the approaches of the US and other countries. Of great interest, for example, is the proposal of President Mitterrand to hold a summit meeting of the five states that are permanent members of the UN Security Council. I think it is necessary to immediately start consultations of the five, to hold a meeting of foreign ministers who would prepare the summit.

Of great importance is the practical consolidation of the peace-keeping functions of the UN and the formation of an appropriate mechanism, including the activation of the Military Staff Committee of the Security Council.

Considerable efforts are to be made to realise the idea of creating new security structures in the region, including nuclear and chemical weapons free zones, and of carrying out confidence-building and transparency measures in the military sphere. Of course, the idea merits support for conducting a direct dialogue among all the parties in the Middle East, including between the Israelis and the Palestinians—both on a bilateral basis and within the framework of an international conference.

[Markov] One gathers the impression that opposition has increased recently to the foreign policy course pursued by Moscow since 1985...

[Shevardnadze] I have already said on several occasions that certain circles, that I called reactionary, had not accepted our versions of the solution to such problems as German unification and the pullout of troops from Eastern Europe. They did not accept our concepts of new East-West relations and were critical, in particular, of the INF Treaty. But now the treaties with united Germany have been ratified. Parliament has acknowledged that it was the right decision to conclude good agreements meeting the national interests of our country and Germany.

So we were right, including myself. I am convinced that all the other issues, now being criticised, will be seen in proper perspective. Doubts will be dispelled: we pursued the correct policy meeting the interests of the peoples of the USSR.

[Markov] But does a danger exist that Soviet relations with the US and other countries will be thrown back?

[Shevardnadze] I proceed from the assumption that these relations will continue to develop normally, along an ascending line, for a solid foundation has been laid beneath them. It would take enormous efforts to destroy this process. I see no immediate threat to the line we have developed over the last few years, and believe that it is virtually impossible to discard the policy of new thinking. And then I have not heard that those criticising this policy could oppose any alternative to it. One cannot indeed talk seriously of a return to the past as an alternative. At any rate, no clearly defined conceptual perceptions on this account have been advanced so far.

True, in pursuing the policy of new thinking complexities do arise. Much will depend on how things go in our country. If we succeed in stabilising the situation, and carrying on the line of democratisation, our relations with the US and the West as a whole will consistently develop further.

There should be no pauses in relations between the Soviet Union and the United States, and in promoting the European process, because they would be tantamount to a retreat.

European Foreign Ministers' Conference Ends

LD2403073391 Moscow TASS in English 0621 GMT 24 Mar 91

[By TASS correspondent Dmitriy Gorokhov]

[Text] Stockholm March 24 TASS—The foreign ministers of Denmark, Iceland, Norway, Finland and Sweden wound up their two-day conference in Karlshamn, Sweden, on Saturday.

In their joint statement on the results of the conference, the ministers emphasised the immense importance of the meetings in Krakow, Geneva, Moscow and Oslo this year, which brought together representatives from the participating states in the CSCE process.

The success of the forthcoming European forums will confirm the accords adopted at the CSCE summit in Paris in November 1990 and will serve to promote democracy, strengthen law-governed state and human rights on the continent. The ministers emphasised the role of the Conference on Security and Cooperation in Europe in consolidating peace and preventing conflicts and favoured developing its structures and institutes.

In a statement on the situation in the Baltic republics, the ministers expressed the conviction that disagreements between the three republican governments and the Soviet central authorities would be settled only by peaceful means and political agreements. They favoured talks between the sides to realise the Baltic republics' aspirations for independence.

The ministers expressed concern over the developments in yugoslavia. In their special statement on this issue, they said that the tense situation threatened the integrity of the country and affected stability in a broader european context. The statement calls for a negotiated settlement of the situation and dialogue involving all parties.

The ministers paid considerable attention to harmonising their positions towards South Africa. They believe that president De Klerk's continued policy of reforms can dismantle the foundations of the apartheid system and push to the top of the political agenda the revision of the policy of economic sanctions pursued by northern Europe in relations with the South African authorities.

The ministers regard as important to promote democratisation and in this context call for expanding Europe's contacts with South Africa.

It was announced that restrictions on granting visas to South African citizens to visit northern Europe are lifted with the exception of cases when such measures are needed to implement sanctions adopted at the national level.

United States & Canada

U.S. Envoy Delivers Bush Letter to Gorbachev

PM2603110191 Moscow PRAVDA in Russian 26 Mar 91 Second Edition p 1

[TASS report: "U.S. Ambassador Calls On USSR President"]

[Text] M.S. Gorbachev received U.S. Ambassador J. Matlock 25 March. The latter passed on a letter from George Bush, in which the U.S. President, in the usual friendly spirit, pursued the examination of several current aspects of U.S.-Soviet collaboration. A brief important conversation took place.

U.S. Gulf Success Shifts U.S.-USSR Balance

Arms Policy Starts 'Hot War'

PM2203161591 Moscow PRAVDA in Russian 21 Mar 91 Second Edition p 4

[Report by correspondent V. Gan: "By Hook or by Crook"]

[Text] Washington—It is only thanks to successful maneuvering in the Senate by the Democrats headed by Sam Nunn that a new attempt by "star wars" supporters to undermine the Soviet-U.S. ABM Treaty has failed.

The attacks on this key agreement, which has prevented the militarization of space for almost 20 years, had abated for a while. The SDI program launched by the previous Reagan Administration had lost a notable number of enthusiasts because of its potential danger and astronomic cost. Congress was being increasingly tight-fisted, allocating fewer and fewer dollars for its development [razrabotka]. The end of the "cold war" in general ought to have pushed the program into the background. But suddenly a "hot" war appeared—in the Gulf—with, so people here believe, its triumph for U.S. arms.

Against the backdrop of a wave of exultation—in which the U.S. military-industrial complex has clearly had a hand—military-industrial complex lobbyists in Congress have been trying to prevent SDI from being left high and dry. Republican Senator J. Warner of Virginia submitted a proposal calling for talks between the USSR and the United States on revising the ABM Treaty with a view to removing its restrictions on the development [razrabotka] of ABM defense systems.

Senator Nunn, an opponent of any revision of the ABM Treaty, outsmarted Warner, however. In response to his draft resolution the influential chairman of the Senate Armed Services Committee put forward a counterproposal which also played on the upsurge of pride in U.S. technology by envisaging an increase in appropriations for Pentagon purchases of Patriot missiles—from $100 million to $224 million—and stationing them on ships for rapid deployment to areas of crisis. At the same time, the senator recommended that $218 million be redirected within the SDI program to expedite production of land-based ABM defense systems.

The whole affair can, of course, be presented as normal parliamentary games—the type "played" by legislators virtually every day. But this time it is a question of far more serious matters. It is being predicted here that, following the Gulf War and the complacency about victory, the language of the arms race may come back into fashion in America. It seems that this prediction is accurate. At any rate, Warner's legislative attack on the ABM Treaty was supported by the Bush administration, ranking representatives of which spent the whole week in consultations with the senator on the text of the resolution.

Is this a hint that they will be seeking the "right moment"? Undoubtedly. Not for nothing are newspapers here writing about a "temporary failure" for the administration and its supporters on Capitol Hill. So in the very near future we should expect the campaigns against this most important treaty, which has kept space peaceful, to be stepped up. Probably not just this document either....

'Gulf Syndrome' Criticized

PM2503131391 Moscow KRASNAYA ZVEZDA in Russian 22 Mar 91 First Edition p 3

[Article by Captain S. Sidorov under the rubric "The World Today: Problems and Opinions": "Seduced by the Sound of Their Own Voices"]

[Text] There is no shortage of assessments of the consequences of the Persian Gulf war for the entire system of international relations today. On the radio, television, and in the newspapers there is a succession of politicians, academics, and commentators making the most varied predictions about the future world order—from the positive to the pessimistic. In this process the arguments of the majority of Western analysts are based on the same premise: that as a result of the brilliant victory over Husayn, America, as leader of the anti-Iraq coalition, has acquired the status of an unequaled world hyperpower.

How do they see the arrangement of forces in the "monopolar" world? Here, for example, is what THE SUNDAY TELEGRAPH writes on this score: "The opponents and the lily-livered have been put to shame; pacifism is discredited; the Third World and the Soviet Union have been left on the sidelines; Arab nationalism and fundamentalism have been debunked; European federalism has been devalued...." There you have it, plain and simple.

It has to be said that such a deliberately oversimplified view of things is becoming increasingly widespread primarily in America itself, where victory over the Iraqi dictator is viewed as a sign of the final and irrevocable restoration of national prestige. The political lexicon has

even acquired a new term—the "Persian Gulf syndrome." U.S. society so passionately wanted to finally rid itself of the distressing slur of another humiliating syndrome—Vietnam—that being intoxicated by the fanfares of victory it seems to be losing the ability to perceive notes of criticism. This force of national frenzy is beginning to exert a magnetic effect on America's leaders, who have become accustomed to adjusting their political attitudes according to prevailing moods especially when elections are looming on the horizon.

For example, U.S. legislators and the press are calling more and more clearly for the United States to be ready to demonstrate its hyperpower status not only in the Near East but also in other parts of the world. One can only wonder what form this readiness will take in the future. Who is now in contention for the right to receive closer U.S. attention—Libya, the Maghreb countries, or perhaps Cuba...?

The U.S. attitude to the Soviet Union is already being called one casualty of the war. Recent public opinion polls conducted by TV companies and newspapers show a declining trend in the standing of the USSR and its leaders. This is partially due to the way in which the U.S. press presented the Soviet initiatives undertaken in the final hours before the ground offensive in Iraq. But there is more to it than that. Right after the war the press launched, as though to order, persistent and, I would say, purposeful speculation on the theme of Soviet-U.S. relations, saying that they have already lost their former importance for the United States, that "the war revealed a clear distrust of one another," and that relations will be "more complex and contradictory than in the past."

Right-wing forces in the U.S. establishment are utilizing this opportunity to pressure the administration, which still remains officially loyal to the Soviet leadership, and thus obtain from it a similar official change of course. Here is what F. Gaffney, director of the Center for National Security Policy, said in an interview on CNN TV: "Gorbachev acted not from moral principles but from a desire to save his strategic partner and foreign currency client. The United States knew that the Soviet Union had sold weapons to Iraq despite the embargo. The Bush Administration pretended not to notice this so as to show unity, however.... The United States had slackened its vigilance in all areas, first and foremost that of arms control."

The White House cannot simply dismiss the accusations of conniving with the "dishonest Russians," even if you take into account the fact that the idea of "weapons supplies to Iraq" from the USSR during the conflict is utter "hogwash." But it is no coincidence that Gaffney reduced the question to one of arms control. That is the very sphere of our relations with the United States which is clearly under greatest strain today.

THE WASHINGTON POST, for example, reported recently that President Bush, having won a brilliant victory in the war, is in the newspaper's opinion no longer inclined to consider arms control or even summits as absolutely essential because in a "monopolar world" U.S. influence and might will not be questioned.

There are grounds for believing this newspaper report. The posture which it describes has already been demonstrated quite tangibly in the recent initiative by Republican Senator Warner, who is seeking a reappraisal of the 1972 Soviet-U.S. ABM Treaty and the support which it received from presidential National Security Council adviser Scowcroft. Although Warner withdrew the amendment that he himself proposed—primarily out of tactical considerations—it nevertheless highlighted the thrust of the right's main area of attack against the system of accords with our country, namely ABM defense. The point of this initiative is also obvious: It is an attempt to secure the repeal of restrictions on the development and testing of new ABM systems, including those in the SDI program.

Where people begin playing tricks with ABM defense, look for a game involving strategic offensive arms. That is what is happening: Bush, according to THE WASHINGTON POST, no longer considers "the treaty on the reduction of strategic offensive arms to be the sacred political and military symbol of the safeguarding of security that it always was." Indeed, what is the point of negotiating when the "embittered Soviet military do not want to relinquish a single nuclear warhead," considering their "nuclear might to be the final element reinforcing the Soviet Union's claim to the status of superpower."

Ultimately—and this is nothing new—Washington would like to link the completion of work on the strategic offensive arms agreement with prior ratification of the treaty on conventional armed forces in Europe. The administration has effectively already dictated its terms to Moscow: There will be no strategic offensive arms treaty or summit until you admit that you "disguised" three divisions as "marines" to stop them being reduced under the treaty.

KRASNAYA ZVEZDA has given a detailed answer to these claims. In essence it is that there has been no "buildup of the Soviet marines" in circumvention of this treaty. The USSR quite legitimately adopted measures to ensure the more reliable protection of sea lanes, given the considerable U.S. and NATO superiority in naval strike and mobile systems. As a result, three divisions of Ground Forces were transferred to the Navy's control as shore defense divisions (not marines). This fully accords with our defensive doctrine. In addition, during the recent visit to Moscow, Secretary of State Baker received from the Soviet side a number of documents, including proposals to resolve the problem of the "three divisions." Given the appropriate will from Washington they could be a basis for compromise.

I have grave doubts, however, that the U.S. Administration is now inclined to negotiate with us as equals. Clearly, they have already opted for the view that "you

need the talks more than us, so you worry about it." That choice is conditioned not by the mythical "posture of the embittered military"—that is merely a pretext—but by two factors, in my opinion: the "Persian Gulf syndrome," which was mentioned earlier, and the atmosphere of instability and domestic confrontation in our country.

I am convinced that while we are going through the pangs of giving birth to consensus here we should expect nothing from the Americans except attempts at diktat and other manifestations of the "Persian Gulf syndrome." In other words, our domestic opposition must clearly understand that each new day of uncompromising struggle with the center and the president who personifies it must be considered irretrievably lost to the cause of establishing relations of equal partnership with America. Appeals outside the country in the hope of enlisting a foreign ally for a domestic confrontation are all the more intolerable. This is not only immoral but also fraught with grave consequences for our statehood.

As for the U.S. side, you cannot offer it anything apart from mutual understanding as the only mechanism for conducting affairs with the USSR, which is still a great power. One should not strike a pose and consider that meetings are no longer needed and that there is nothing to talk about. Dialogue is needed just as much as ever. I fully concur with the words of General J. Galvin, NATO's Supreme Allied Commander, Europe, on one of the lessons of his life: "If you have worries about the other side—that is no time to reduce contacts."

Only a desire to correctly understand the reasons behind one another's actions can steer Soviet-U.S. relations between the reefs and rocks of disagreement into the open sea of confidence and cooperation. But if Washington wants to deafen itself with its own loud rhetoric and ceases to grasp reality correctly, this will cramp the Soviet leadership's room for maneuver to the utmost and transform our relations into what one of my U.S. colleagues called "a dramatic production with an unknown finale."

Comparison of Commentary on Baker's Visit

CM2003155591

Moscow PRAVDA in Russian on 19 March 1991 in its Second Edition on page 5 carries an Anatoliy Karpychev commentary on Secretary of State Baker's Moscow visit. The PRAVDA item, entitled "Let There Be Trust..." has been compared with the translation of the item in the First Edition of the newspaper published in the 21 March Soviet Union DAILY REPORT, pp 5-6, revealing the following variations:

Page 5, column two, last paragraph reads: ...Europe in the Paris Charter. Like... (omitting "brilliant")

Page 6, column one, paragraph two, only sentence reads: ...superior military hardware is seen as... (omitting "which sows death")

Last paragraph, sentence four reads: ...strategic offensive weapons, for example. And not just sign them, but implement them. All the same... (adding passage and omitting passage)

China

Economic, Trade Relations With China Viewed

Maslyukov Sees Maturing Ties

PM2203161191 Moscow IZVESTIYA in Russian 21 Mar 91 Union Edition p 4

[Report by correspondent Yu. Savenkov, incorporating interview with USSR Deputy Prime Minister Yu.D. Maslyukov, head of Soviet government trade delegation to China, in Beijing; date not given: "The Logic of Mutual Trust: China Has Granted Major Commodity Credit to the USSR"]

[Text] Beijing—As reported in the press, China has granted the USSR preferential commodity credit worth 1 billion Swiss Francs (more than $700 million). Over a period of several months we will be supplied with grain, meat, meat products, tea, peanuts, cigarettes, silk, textiles, and other light industrial goods. The USSR is to repay the credit with industrial goods and certain kinds of raw materials over a five-year period (excluding the first year).

Li Peng, head of the Chinese government, described this aid as "limited" (he considers the PRC to be a developing and far-from-prosperous country).

USSR Deputy Prime Minister Yu.D. Maslyukov, head of the Soviet government delegation in Beijing, described the credit as "very timely." Chinese leaders cited the record grain harvest as one reason enabling this commodity credit to be granted. China, incidentally, occupies the top position in the world in the production of clothing, television sets, and wheat. The production of cotton, meat, oil-bearing crops, vegetables, and fruit considerably increased last year.

"We make good our own failings by the virtues of others" is a piece of folk wisdom which I heard quite often in China. It was mostly cited by those who had studied in the Soviet Union during the fifties, recalling the aid which the Soviet Union gave China in the period of the new state's formation.

Nowadays our economic ties are becoming more mature. The growth of machinery and equipment as a proportion of Soviet exports and the recruitment of Chinese workers to grow vegetables, construct housing, and carry out logging operations in the USSR form part of this gratifying phenomenon. Some 25,000 Chinese citizens are working on various projects in the USSR. But, at the same time, the unreliability of many Soviet suppliers, the

overdue signing of contracts, interruptions to the dispatch of trains to transport Chinese goods, and so forth remain a worry.

Yet there is growing professionalism. Credit is playing an ever-increasing role in our ties, for example. State commodity credit granted to China by the USSR made its contribution to the building of the Usu-Alashankou railroad section, which completed the shortest rail route from Europe to China via Kazakhstan. The sale of Soviet power equipment is also proceeding on the basis of long-term commercial credits. The Chinese are repaying the credit by traditional goods and labor services, for example, Soviet ships are repaired in Chinese shipyards. Our specialists, incidentally, are convinced that intensive cooperation in the sphere of supplies of sets of equipment is possible in the Chinese market mainly on a credit basis. In short, China's new commodity credit is no chance phenomenon, but a logical development of our equal ties.

"How does your visit to China fit into the general context of the active development of Soviet-Chinese relations and what are its objectives?"—your correspondent asked Yu.D. Maslyukov.

[Maslyukov] Our government delegation discussed certain questions of trade and economic cooperation with Chinese representatives. We held talks on setting up new forms of economic collaboration. Our peoples have a sound basis for cooperation in various spheres of human contact. Our visit, by the way, is merely one episode in this.

The full normalization of relations in 1989, after the summit meeting, brought bilateral relations to a qualitatively new level. Soviet-Chinese cooperation is showing dynamic, progressive development in all areas.

Political dialogue, meetings, visits, and the exchange of messages between the leaders of our two states have deepened confidence and mutual understanding. Progress has been made at talks on the mutual reduction of armed forces and confidence-building in the military sphere in the region of the Soviet-Chinese border. Preparation is now being completed for the next round, which will clearly take place in the very near future at the talks on border questions.

Trade, economic, scientific, technical, and humanitarian cooperation rests upon the sound treaty basis laid during the visit to the USSR by Li Peng, premier of the PRC State Council, in April 1990, and during sessions of the Soviet-Chinese commission.

[Savenkov] Incidentally, the first session of the Soviet-Chinese Commission on Economic, Trade, Scientific, and Technical Cooperation was held in Beijing exactly five years ago. The sixth session will be held in Moscow this year. In our turbulent times, five years is quite a long period, especially as radical, crucial events have taken place within it. Has there been a change in the nature of the commission's work now, when the number of those involved in foreign economic ties has sharply increased?

[Maslyukov] As chairman of the Soviet section of the commission, I have discussed with my colleague, PRC State Council Vice Premier Tian Jiyun, the results of our activity. It is well known that, in accordance with the commission's decision, Soviet and Chinese organizations have carried out work connected with switching over to settlement in freely convertible currency. A trade agreement and a protocol regulating payments were signed last October. A Soviet-Chinese protocol on trade turnover for 1991 should be signed shortly.

The switch to hard currency, although it will bring natural difficulties, will eventually make our ties of a higher quality and induce greater discipline in suppliers.

I would like to highlight the power industry in our cooperation. Contracts for another two heat and electric power stations were signed at the end of last year. The overall capacity of the thermal power stations on which Soviet-Chinese cooperation is being carried out is now 6,900 megawatts. Talks on the construction of a nuclear power station on PRC territory with two Soviet power units are now at their final stage. This will be a very large Soviet-Chinese cooperation project. Work on the cooperation program in the power industry sphere is continuing. As you can see, our more mature ties are becoming characterized by their long-term nature.

Let me give you a few more features. The USSR State Committee for Forestry and the PRC Ministry of Forestry have signed an agreement on cooperation in the sphere of agriculture (genetics, selection, reforestation, forest protection, wood processing, and the use of timber). At the end of last year we reached agreement on setting up a joint innovation fund to finance scientific and technical research and projects. It was decided to help establish a market in scientific and technical breakthroughs.

In 1990 commodity turnover topped 3 billion rubles (a growth of 26 percent), and border cooperation substantially increased. It now accounts for 20 percent of all commodity turnover. New forms continue to develop. By the end of last year 25 joint Soviet-Chinese enterprises had been registered in the USSR. True, their capital fund is small—$65 million. They are being set up mainly in the sphere of public catering and consumer services. But, as the saying goes, the first step is the hardest—Soviet-Chinese cooperation is continuing to build up steam.

Trade Protocol Signed

OW2303043791 Moscow International Service in Mandarin 1000 GMT 22 Mar 91

[Report by station correspondent (Bulikov) on the signing of the Soviet-Chinese trade protocol for 1991; in Beijing; date not given; from the "Current Events and

Commentaries"—recorded in Russian with superimposed Mandarin translation]

[Text] The salient feature of the protocol is the adoption by the two countries of a method of settling accounts with convertible foreign exchange in January of this year. Both countries lack foreign currency. This may impede trade between the two countries. Because of a similar situation in our relations with East Europe, our economic cooperation with the countries in that region has diminished. Beijing has assumed a different attitude on this issue, however.

The newly signed protocol shows that the two countries have found a mutually acceptable method of settling accounts during the complex transitional period. The method includes cash transfer, barter trade, and foreign exchange payment. For instance, we supply China with railway machinery and equipment in return for its assistance in repairing our fishing vessels. We export automobiles, petroleum products, and aviation technology to China and import daily necessities, grain, meat, tea, knitted goods, and footwear from that country. In doing so, we use the mutually acceptable method of settling accounts.

Trade volume between the Soviet Union and China, which is covered by a series of economic agreements signed between the two countries, is expected to top $3 billion in 1991. These agreements include one under which China will provide huge loans to the Soviet Union.

Chinese Premier's Remarks on Soviet Ties Cited

LD2503092491 Moscow TASS in English 0816 GMT 25 Mar 91

[By TASS correspondents Vladimir Oreshin and Vladimir Fedoruk]

[Text] Beijing March 25 TASS—Relations of friendship and cooperation between China and the Soviet Union will continue to develop strictly in accordance with the spirit of the Sino-Soviet joint communique, Chinese Premier Li Peng said in a report to the Chinese legislature today.

The two countries' contacts underwent new development since relations between China and the Soviet Union were normalised, Li said.

Headway was made during the talks on the Sino-Soviet border. Positive results were achieved in the talks on mutual reductions in the armed forces in the area of the two countries' border and on the enhancement of mutual trust in the military field, he said.

The maintenance of normal relations and the development of friendship and good-neighbourly ties have particular importance for China and the Soviet Union which have the world's longest border, Li Peng emphasised.

The two sides themselves must determine ways for the development of their countries without interfering in the affairs of each other and respecting the choice of their peoples," [quotation mark as received] he added.

Defense Official Notes Normalized PRC Relations

OW2403124991 Moscow International Service in Mandarin 2200 GMT 22 Mar 91

[From the "Soviet Press and Radio Moscow on China" program]

[Text] Vladimir Z. Khuzhokov, chief of the External Relations Directorate of the USSR Ministry of Defense, recently talked to a Radio Moscow reporter. He said: At present, the relations between the Soviet Union and China in various fields, including the military, have already been normalized completely. He pointed out: The military contacts are being developed continuously. It is very gratifying to us. This sort of contact is consolidating the relations between our two countries. Khuzhokov also touched on the upcoming visit by the Soviet Defense Minister Dmitriy Yazov to China. He is of the opinion that the visit will further advance the development of bilateral relations between the Soviet Union and China. It also will manifest the level of trust between our two countries. With the exchange of visits by military personnel, the mutual trust and solid ties between the two countries are bound to be strengthened as a result.

MiG's To Take Part in PRC Demonstration Flights

PM2203132391 Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Mar 91 p 3

[A. Kabannikov and TASS report under the general heading: "In a Few Lines"]

[Text] Nine Soviet MiG's have arrived in Beijing. For five days they will take part in demonstration flights at a number of PRC airbases. This is the first event of its kind in Soviet-Sino military contacts of the last 30 years.

Northeast Asia

Japanese Newspaper Interviews Gorbachev

CM2503105191 Moscow PRAVDA in Russian 25 Mar 91 Second Edition p 5

[Interview with Mikhail Sergeyevich Gorbachev by Hirohisa Kato, managing editor of Japanese newspaper YOMIURI SHIMBUN, at the Kremlin on 23 March: "Security Is Not Divisible Into Time Zones"]

[Text] [Kato] Thanks to real success on Sino-Soviet and Soviet-South Korean relations, the new thinking in foreign policy, for which the foundations were laid in your addresses in Vladivostok and Krasnoyarsk, has led to the establishment of an "end of cold war" atmosphere in the Asian and Pacific region, as well. As regards maintaining

security there at present, the processes of integration in this region differ in both historical and geopolitical terms from the situation in Europe arising from the Paris charter. May we know your opinion on issues of peace and security in this region? May we also know whether the Vladivostok and Krasnoyarsk addresses will be followed by a Tokyo address during your forthcoming visit to Japan?

[Gorbachev] Your question obviously reflects the natural interest of the Japanese public in the problems of peace and security, and during my visit to your country, I will certainly use the opportunity to express my view of the prospects. For now, I will mention just a few fundamental points.

I am certain that in our interdependent world security cannot be divided up according to time or any other zones. In this sense, the principles on the basis of which a new secure Europe is being established also apply to resolving parallel tasks in the Asian and Pacific region. Of course, that does not mean the automatic transfer of structures adapted to specific European conditions. Special features must certainly be considered, but they will not cancel out the main thing, which is the right of people living on different continents to labor and live in conditions of a stable peace.

The days of strong-arm methods in politics are over. Nothing worth having can ever be achieved with violence. The sooner this becomes part of international consciousness and practice, the greater will be the gratitude that politicians will earn from present and future generations.

But, I believe that it is impermissible to wait with one's arms folded until everyone is mature enough to understand these truths, and it seems to me to be justified that our countries should display initiatives and provide the initial impetus for creating a mechanism of peace and confidence in the Asian and Pacific region. In this context, I will repeat the thought which I expressed at the all-European summit in Paris, that the belt of cooperation in the Northern Hemisphere which we are beginning to create is unthinkable without new relations between the USSR and Japan.

[Kato] It is expected that a concept of economic zones in the maritime territories adjacent to Japan will be published during your visit to Japan. I would like to hear the brief content of this concept and your opinion about the prospects for Japanese-Soviet economic relations, which it is expected will play an important role in this concept.

[Gorbachev] When we talk about the future of Soviet-Japanese economic relations, it seems to me that we should proceed from indisputable facts. Our countries are neighbors, and very close ones at that. Both we and you have already paid an excessive price for the worship of ideological and political fetishes of all kinds that distract people from real, down-to-earth work in our mutual interests. Let us set our thinking free, and we will then open up for ourselves a mass of practical opportunities for cooperation on land and sea. Let us think together about how we can achieve a situation in which politics and economics do not limit and hold back each other but, on the contrary, encourage reciprocal cooperation, trust, and mutual understanding.

[Kato] The Japanese people welcomes with all its heart your visit to Japan at the time when the cherry trees are in bloom and, furthermore, hopes profoundly that you will bring with you important proposals which will lay the beginning for a historic turn toward a radical improvement in Japanese-Soviet relations. In particular, a large part of the Japanese, and a definite part of the Soviet people, are counting upon steps being taken toward solving two issues which are considered to be the biggest obstacles to improving Japanese-Soviet relations: first, the problem of the "northern territories" and the conclusion of a peace treaty; and second, the problem of the Japanese prisoners of war in Siberia. What is your view of these problems?

[Gorbachev] I will tell you the main thing: I am setting off for Japan filled with the desire to improve our relations and cooperation between our peoples.

For my own part, I am counting on a similar approach from the Japanese side. It is our duty, finally, to do everything so that the shadows of the past do not pursue us in the present and especially that they do not prevent us from building the future together.

Problems Associated With Kuril Islands Examined

91UF0568A Moscow LITERATURNAYA GAZETA in Russian No 11, 20 Mar 91 p 5

[Article by Vitaliy Guliy, USSR people's deputy, and Valeriy Sharov, LITERATURNAYA GAZETA staff correspondent in the Far East: "South Kuril Islands: Views From Both Shores"]

[Text] The future of the so-called "northern territories," islands of the Kuril chain—the most painful issue in Soviet-Japanese relations—has recently been discussed quite vigorously. Few people in the USSR have a good idea of what life is like on these islands and the views of the citizens of the Kuril islands on possible solutions, however. Likewise, little is known about the opinion of unofficial Japan regarding this. Due to this, the LITERATURNAYA GAZETA editorial office instructed two of our correspondents to study the problem first on Soviet land and then on Japanese land adjacent to the Kuril islands, on the eve of an official visit to Japan by USSR President M.S. Gorbachev....

We Cannot Live Like This Anymore!

Head of the Russian legislature B. Yeltsin admitted during his visit to Sakhalin Oblast, having visited an island in the "northern territories": "Before this trip, I imagined the Kuril islands to be quite a savage, stony

place, with scant nature, hardly able support life. It turned out to be the opposite, however...."

Let us recall that this has to do with three large islands and an entire constellation of small islands in the south of the Kuril chain. After Japan capitulated in 1945, these islands were transferred to the USSR. The Japanese side continues to treat them as its own and demands that they be returned, however, linking this to the signing of a peace treaty between our countries.

The islands are a unique collection of conceivable and inconceivable natural riches. There are bays of supernatural beauty, conical furnaces of volcanoes, smoking and snorting geysers, and brooks and little rivers saturated with all kinds of mineral compounds which, as the locals testify, cure the most incurable diseases....

This is what is striking: All of the riches are left virtually unclaimed because the South Kuril islands are one large border zone. When some of the natural treasures are used it is done at a level so spontaneous and primitive that it is even embarrassing to discuss.

It is worthwhile to mention the consequences of using our primitive technology. It is impossible to forget the feeling you experience in a most picturesque bay on Shikotan Island, on the shore of which the Ostrovnoy fish combine is located. The persistent smell of fish tickles your throat, irritates your eyes, and gives you nausea. All wastes from the combine are discharged into the bay without any treatment. Specialists maintain that the bottom of the bay is now covered with a layer of cod liver oil four meters thick. Large and small leaks of fuel and lubricants from various storage facilities add to this periodically.

As we approached a settlement on the island of Iturup, we encountered a huge space piled with reinforced concrete structures, mangled and rusty metal, and household refuse—this was the consequence of having a military unit in the vicinity for many years. This trash heap is located at the confluence of the two best rivers for salmon spawning on the island. A gloomy and virtually lunar landscape is crowned with a fuel pipeline which goes to a nearby airfield: Kerosene seeps onto the ground and into the water from all of its joints.

V. Kashpruk, deputy chairman of the rayon soviet, who escorted us, observed: "This is nothing special. A year ago, the military dumped almost 30 tons of fuel into the river all at once."

This is one of the paradoxes of the Kurils: For many years the Soviet press was forbidden to mention the presence of military units here, despite the fact that they were known to virtually the entire world to a man and to a weapon! It was as if the Army was not here. Who should be accountable for the hills mutilated by the tracks of prime movers? What about ravines that develop within a year or two from the roads beaten by them? It is enough to see just once a training ground embracing an ancient camp of the native residents of the Kurils, the Ainu, and to inhale the "aroma" of yet another trash heap piled up on the shore of the Pacific by a nearby military unit in order to understand this: The Army, whose strength here virtually exceeds the civilian population, has come to pose the main danger to the islands. In addition, due to a strange coincidence, weapons emplacements and border guard barracks have sprung up in the most picturesque locations, on the banks of rivers with spawning beds, and the number of checks and inspections has increased in direct proportion to the migration of red fish for spawning.

"The borders of the USSR are sacred and inviolable!" Nonetheless, Japanese poachers venture into Soviet territorial waters day and night, as if into their own cellar. In 1989 alone more than 9,000 (!) border violations were registered in Sakhalin Oblast. The amount of marine products hauled away is perhaps not known even in Japan.

An inquisitive reader will understandably be intrigued: Why do they do not put an end to these poaching raids? But how can a violator be caught if the speed of poachers leaving Soviet territorial waters exceeds that of the border guard vessel chasing him by a factor of two to three?

The "inviolability" of the border leads to a grave misfortune for... the Soviet people. It is strictly forbidden to own sailing vessels and go out to sea—this is a border zone! It is hardly surprising that the fish combines on the islands have no fishing fleets of their own and process raw materials which are shipped in (frequently frozen), whereas fresh fish and other things in which the coastal waters are rich are virtually absent from local shops.

The life of the islanders is unenviable on other scores as well: A considerable segment of them live in real slums and do not have either hot (and sometimes even cold) water or toilets on the premises. Many residential buildings have already been condemned for use as firewood; however, people continue to live in this "firewood." Many houses are located in zones threatened by tidal waves, which are condemned by government instructions dating all the way back to the 1950's. People huddle in there to this day.

The contrast between military settlements—cleaner, more attractive, with more amenities—and civilian settlements is striking. Those who conclude after looking at them that the army has made itself very comfortable on the Kuril Islands are in great error. This applies only to senior and mid-level officers with their families. Soldiers and junior officers at times live worse than civilians. In many remote locations where they spend between one-and-a-half and two years of service, they sleep in three-tier bunks, see no good vegetables or any fruit at all, and eat virtually nothing but canned food and bread. The soldiers are forced to spend their meager funds to purchase stearin candles because at night there is frequently no electricity. Novels may be written about the journeys of the inhabitants of the Kurils to the mainland

and back (for vacations or on business) which take many days and sometimes even weeks due to lack of planes, non-flying weather, and a shortage of space on motor vessels.

At the Iturup airport several dozen airline passengers who had hopelessly waited for a flight to Sakhalin for several days mutinied. They went to the runway and blocked the takeoff of the only plane that had arrived there. They demanded that additional aircraft be sent from the oblast seat to ferry all the people who had accumulated there. At this point, Galina Semenova, chairwoman of the local rural soviet, who had spent several days at the airport with her unfortunate constituents and tried unsuccessfully to help them somehow, called the rayon soviet and stated resolutely that she would send a telegram to the governor of the adjacent Japanese island of Hokkaido requesting that he take charge of the transportation of the South Kuril islands residents.

Of course, she did not send any telegram, and one can hardly expect in earnest that the governor of Hokkaido would be in a position to do anything. There was a reason the thoughts of a representative of Soviet power turned to Japan. If faraway Moscow does not move a muscle for the Soviet people who have ended up in this far corner of the world, perhaps it is logical to look to a nearby neighbor for support?

Alas, miraculously detained schooners of poachers and nice jars, lighters, and other gadgets with the inscription "Made in Japan" which the tide deposits on the shore bring up the notion of such aid on rare occasions. Gathering such trash has turned into a stable hobby for some people. They say that this unfailing "Low-Tide Trade Association" even brings in unopened cans of beer and car tires which are absolutely fit for use. To be sure, the selection and amount have declined rapidly in recent years as Japan adopted very strict ecological laws.

Instead, the discussion of the issue of "northern territories" in the broadest circles of island society has become considerably more vigorous. Not so long ago, the position of the population differed little from the official one, whereas at present the range of opinions is very broad, from consenting to leave the South Kuril islands for a certain compensation (a Toyota, an apartment on the mainland, and a relocation allowance of several thousand rubles) to the well-known "not an inch!"

A majority of those polled favor developing the South Kuril islands jointly with Japan. Such prospects scare some people, however.

Veniamin Kuklin, a fish breeder from Kurilsk, shared his apprehensions: "It is common knowledge how enterprising the Japanese are. They may crowd us out into the most atrocious jobs...."

It will be difficult to arrive at a solution to the problem of "northern territories" that will satisfy everyone. One thing is clear: We cannot live like this anymore. Both the people who live here and those who have not been to the Kuril Islands, but on whom the future of the former will depend, should think hard about it.

Finally, in referendums just held in Yuzhnokurilskiy Rayon 21.5 percent of the participants came out in favor of ceding these territories, 68.8 percent were against, and 7.8 percent proposed other solutions.

Perhaps, Together After All?

...The efforts of our colleagues from the Japanese newspaper HOKKAIDO SHIMBUN were successful, and we finally came to the city of Nemuro on the island of Hokkaido, which until then was closed to Soviet people. We stood there and looked hard, together with dozens of Japanese tourists, at the outline of the Soviet island of Tanfilyev barely visible in the sea haze. It is the southernmost island of the Soviet Kurils, from which we had quite recently looked at the shores of Japan.

It appears that the air itself at Cape Nossapu is thick with the issue most painful for Japan. This is where the grandiose "Peace Tower," 91 meters high, is located. From this tower one can see virtually all the islands in the "northern territories" with the help of a radar (even with the naked eye when the weather is good). Incidentally, a quite respectable entrance fee is charged. There is also the "Arch of Mourning" the lands lost, under which there is an eternal flame of sorrow. Japan does not merely mourn for them, but also skillfully boosts the feeling of "just anger" of its citizens every hour of every day....

We immediately recalled a huge map in the office of the island governor, T. Ikomiti: The South Kuril islands were shown on the map in the same color as all Japanese islands. The same was the case in the rooms of officials of every rank.

It seemed to us that the opinion of the Japanese on the return of the "northern territories" was solid as long we met with and talked to the masters of large offices only. As much of the variety of life on the northern island of Japan and of the views of millions of people residing here as we could absorb in 12 days of visiting the country was revealed to us.

On a train from Kushiro to Abashiri we asked four elderly women who sat next to us about the "northern territories." They admitted that they had never thought about this issue, but nonetheless they wished that the islands could be returned to Japan.

We asked them: "What are we to do in this case with several generations of Soviet people who were born in the Kurils and for whom they have become their native land?"

Our fellow travelers talked among themselves for a long time and finally said: "It should be so arranged that the two peoples will be able to live there together" in order not to hurt the present residents of the islands.

The further we went through the picturesque expanse of Hokkaido, the more we talked to people we encountered along the way, the more we ascertained a simple truth which was very surprising for us. In a country with a profound and stable conservative tradition, a country where official propaganda has interpreted the problem of the "northern territories" unambiguously, farmers and school children, workers and businessmen, scientists and fishermen nonetheless have their own views on this. There are points of view that few people know about, for example, those of the Ainu whose ancestors were the indigenous population of both the Kurils and Hokkaido, and settled there long before the Japanese and the Russians. (To be sure, at present there is not a single Ainu left on the Kurils.) The descendants of the ancient people believe that there should be a third side, the Ainu, in the dispute over the "northern territories." The most radical among them proposed that one-half of the islands be returned to the Japanese and one-half to the Ainu "who will live there together with the Soviet people."

Secondary school students in the city of Obihiro set an unexpected example of independent thinking for us. It came out in the course of our conversation that these young people (between 15 and 18) know little or have heard nothing at all about views of the problem other than official views. After discussing various scenarios, the range of opinions of the students turned out to be surprisingly wide and sober. Here are just some of the opinions:

"We should use these islands for the propaganda of peace. They should become neutral islands where the horrors of war could be displayed: Nuclear bombings of Japanese cities and the nightmare of Jewish genocide in Germany...."

"The governments of the two countries... are the main obstacles to solving the problem. It would be better if any Soviet could communicate with any Japanese...."

"Until an official decision is made, the USSR should allow free fishing and free visits by the Japanese to the island zone."

At the end of the meeting the issues discussed were put to the vote, and only five students out of 60 subscribed to the point of view of their government. Others came out in favor of a compromise approach, taking the interests of both parties into account. Who knows? Perhaps they—future politicians, businessmen, teachers, and fishermen free of the foisted official points of view—will be the ones to resolve the issue which the current authorities of Japan and the USSR find to be so complex?

As we stood on the shore of Hokkaido and looked at our lands which were very close to us, we tried to find similar problems in the life of our neighbors, but we could not. The dissimilarity began with the fact that the number of residents of the town of Nemuro, which is small by Japanese standards, exceeded the civilian population in our entire South Kuril islands by a factor of almost two. If only the dissimilarities ended there!

It was a different country, different people, and different concerns. Still, in the mosaic of problems there is one that brings the residents of Hokkaido and the South Kuril islands very close together: Concern about the future of the islands. Mr. K. Yamada, head of the Abashiri chapter of the Society for the Liberation of the "northern territories," expressed the position to which most Japanese subscribed:

"In principle, I wish that the islands would be returned to Japan. In 1945 Soviet authorities forcibly made me leave the island, and I understand very well the Soviet people who are afraid that similar measures may now be taken with regard to them. Taking into account the economic situation in the USSR, I believe that it would be better for them to stay there and develop the islands together with us. Blending the two nations can only be useful...."

This is how the former residents of the "northern territories" sort of linked the past to the present, the present-day prosperous Japan to a Soviet Union going through economic agony, once again indicating a possible path of compromise.

IZVESTIYA Notes Seminar on Japanese Ties

PM2503112191 Moscow IZVESTIYA in Russian 21 Mar 91 Union Edition p 5

[Article by Yu. Tavrovskiy: "Jettisoning the Stereotypes of the Past: Soviet-Japanese Relations From the Standpoint of Realism"]

[Text] The main topic of the seminar held at the USSR Foreign Ministry's Moscow State Institute of International Relations could be rendered thus: "Problems of trust in Soviet-Japanese relations." The trust that peoples have in one another becomes a real factor of interstate relations as the influence of public opinion on political decisionmaking grows. This wholly applies to USSR-Japanese ties, which have been aggravated by several armed conflicts but are manifestly in need of radical improvement.

The organizers of the seminar—V.M. Vinogradov, representative of the organizing committee of the Association of Soviet Diplomatic Service Personnel, and A.I. Stepanov, rector of the Moscow State Institute of International Relations—called for the ballast of the past to be jettisoned and for the historic opportunity to renew relations between Moscow and Tokyo during USSR President M.S. Gorbachev's visit to Japan in April to be taken.

Diplomats, academic specialists on Japan, and journalists analyzed the fixed ideas that USSR and Japanese citizens have of each other and cited specific reasons for the tenacity of widespread prejudices, particularly regarding the Soviet Union among the Japanese.

How are the accumulated mistrust and mutual recriminations to be overcome? Keynote speaker G.F. Kunadze sees the answer in overcoming ideologized approaches and concentrating attention upon interests that coincide. Moscow should be interested in the transformation of Japan into a leading power in the Asian-Pacific region—Tokyo's commitment to the principles of a peace-loving constitution and the stress upon economic development will lead to a weakening of factors of military force in regional politics. Japan is interested in the success of Soviet reforms: Crisis in a neighboring nuclear state is extremely dangerous, while improvement of the situation will, on the contrary, make Moscow a reliable partner. Expansion of the two countries' economic and humanitarian ties will not only reduce mistrust but will also help solve the territorial problem, which really stands out in today's limited relations. The resolution of this problem will not mean revising the results of World War II but drawing a line under it, since the absence of a peace treaty between the USSR and Japan means that the location of the border is not settled from the legal standpoint.

The need to approach the solution of problems of Soviet-Japanese relations from the standpoint of international law rather than that of emotion was often voiced in the speeches by seminar participants. Tokyo should understand that it is unrealistic to hope for all its wishes to be met. Attempts are being made in the Soviet Union to turn the USSR president's first visit to Japan and discussion of the territorial problem into a domestic political issue—this runs counter to national interests and weakens our position at the upcoming talks. K.O. Sarkisov, historian and specialist on Japan, stressed that only confidence that the decisions taken at the highest level are just will save national pride being wounded and prevent the emergence of new sources of mistrust.

A.N. Panov, chief of a USSR Foreign Ministry administration, called for a realistic approach to the prospects for Soviet-Japanese relations. Not all bilateral problems can be solved either during the upcoming visit or immediately after it. Discussion should be about creating the bases for future relations. As far as the territorial problem is concerned, six rounds of talks between the two countries' diplomats have shown that discussion of treaties and other historical material leads to a dead end, every argument by one side is countered by an argument from the other. A political solution is essential.

Describing the problem of trust as most important for future bilateral relations, S. Edamura, Japanese ambassador extraordinary and plenipotentiary to the USSR, divided it into three basic components: the predictability of policy, observance of the norms of international law, and respect for a people's historical memory. The ambassador called for an increase in bilateral relations, the solution of the territorial problem, and growth in the sphere of cooperation.

After the normalization of ties with the PRC in 1989 and the establishment of relations with the Republic of Korea in 1990 the "unfreezing" of ties with Japan has become a very important Soviet foreign policy task in the Asian-Pacific region. Moscow-Tokyo rapprochement should proceed upon the basis of building confidence and expanding contacts between various strata of society and various business, political, and public organizations.

ROK President No Tae-u Interviewed on Ties

PM2403205391 Moscow IZVESTIYA in Russian 23 Mar 91 Union Edition p 5

[Interview with ROK President No Tae-u by TASS General Director L.N. Spiridonov; in Seoul, date not given: "From Confrontation to Cooperation; Conversation With ROK President No Tae-u"]

[Text] President No Tae-u of the Republic of Korea [ROK] has received TASS General Director L.N. Spiridonov, who was in Seoul, and answered his questions.

[Spiridonov] Mr. President, your meetings with President Mikhail Gorbachev in San Francisco and Moscow have led to the establishment of diplomatic relations between our countries and to the signing of a declaration on the general principles of relations between the USSR and the ROK. What is your opinion of the current state of our relations? What prospects are opened up by the declaration signed in Moscow on further cooperation?

[No] The ice has quickly started to melt in relations between our countries as a result of the summit meeting between myself and President Gorbachev in San Francisco last June. For people in Asia and worldwide this was a hopeful sign that the new waves of reconciliation which have altered Europe have started to extend to the Korean peninsula and the Asian-Pacific region.

The ROK and the Soviet Union established diplomatic relations three months later, removing the barriers which had divided our countries for 86 years. Last December I paid my first visit to Moscow as head of state and signed the "Declaration on the General Principles of Relations between the ROK and the USSR" with President Gorbachev.

Relations between the ROK and the USSR are developing rapidly and successfully. Our countries have already opened embassies in Moscow and Seoul, and bilateral relations are developing rapidly in all spheres, including trade, science, technology, culture, and exchanges of people.

Looking at the pace of our relations' development, the growth in exchanges of delegations, and the deepening of mutual understanding between peoples, we can see again and again how unnatural the break and confrontation that existed during the "cold-war" period were. You probably felt that for yourself when you arrived in Seoul.

The rapid pace of progress and the achievements which we have accomplished since the normalization of our relations are probably without precedent.

All this has been achieved on the basis of the Moscow declaration and has become possible because our two countries' governments and peoples are above all united in their recognition of the importance and necessity of mutual cooperation.

We Koreans are utterly satisfied with this progress and are pinning great hopes and aspirations on the further development of our relations.

Korea and the Soviet Union are neighbors, and because their economic structures are complementary, our economic cooperation and trade relations will develop vigorously and promote our mutual prosperity to a considerable extent.

We also believe that the development of bilateral relations between our countries will promote a strengthening of peace and a reduction in tension on the Korean peninsula—and this is necessary in order to achieve the peaceful unification of Korea in the long term. This is another reason why our government and people will strive to develop bilateral relations.

As the Moscow Declaration pointed out, the development of our bilateral relations will actively promote peace and prosperity in Northeast Asia and the Asian-Pacific region, and our countries will make every effort to that end.

The resolution of the Korean question is very urgent if we want stability in Northeast Asia and a new order to be established in a spirit of international cooperation. We hope that the Soviet Union will make its contribution to ensuring that North and South achieve relations of exchange and cooperation through dialogue and to encouraging North Korea to reject its isolationist policy and embark on the path of openness in the interests of its own development.

[Spiridonov] Mr. President, you have said that our two countries' economic structures are complementary and have enormous potential for promoting mutual prosperity. Which spheres of economic cooperation between the Soviet Union and the ROK have priority, in your opinion?

[No] The economic structures of the ROK and the Soviet Union have many complementary features. We have an opportunity to supply consumer goods and industrial equipment: to build plants producing finished products; to find and develop deposits of valuable minerals; to take part in building various projects; to produce and sell on the international market various high-tech items using the advanced science and technology which the Soviet Union has at its disposal.

The Soviet Union is rich in natural resources and has conquered space thanks to its highly developed science and technology. Consequently, the close cooperation between our two countries and the utmost utilization of each other's advantages will undoubtedly be a great contribution to our common prosperity. There have been consultations between our two countries, and specific economic cooperation programs have already been agreed. It is expected that output will begin to be produced within the framework of certain programs this year. Correspondingly, we are planning to grant the Soviet Union a bank loan of $1 billion and to supply 30 types of finished products during the year.

In 1992-1993 the ROK plans to build enterprises in the Soviet Union for the production of medicines, consumer goods, and electronics.

Our governments have reached agreement on economic cooperation projects worth a total of $3 billion. An incomplete list of these projects is cited below, indicating that economic cooperation between Korea and the USSR will be to our mutual advantage. Utilizing our geographical proximity, our two countries will be able to tangibly improve their level of economic cooperation in various spheres.

First, South Korea can import various types of natural resources from the Soviet Union and, in turn, supply various consumer goods, electrical domestic appliances, medicines, medical equipment, and other equipment in demand in the Soviet Union. Certain specialists are predicting that in the next four or five years trade turnover between our countries will exceed $10 billion.

Apart from shipments of finished products in demand in the Soviet Union, we can also supply the USSR with the industrial equipment needed to produce them.

In accordance with the Soviet policy of converting defense enterprises to civilian use, the ROK can supply the Soviet Union with the technology, production lines, and enterprises to produce various goods itself. I believe that this will greatly promote economic development and perestroyka in the USSR. Our countries have agreed to vigorously promote joint investment projects.

Second, the ROK can import the achievements of modern Soviet science and technology and use them to manufacture products for subsequent sale in the world market. Approximately 38 areas have currently been selected for joint development, and specific steps are being taken to that end. A joint firm has already been set up within the framework of cooperation between a South Korean corporation and the Soviet A.I. Yoffe Physical Technical Institute.

Third, we are planning to jointly develop rich natural resources in the Soviet Union. Enterprises in our two countries are currently involved in consultations on joint projects to develop natural gas deposits in Sakhalin, oil and natural gas deposits in the Yakutsk region, and coal seams near Elginsk. Korea's Hyundai Corporation has already started implementing a joint project to exploit timber resources in the Soviet Far East. These projects will take time and a great deal of investment, but they bode well for our countries' economies.

Finally, South Korea has built up a great deal of experience and potential over the years in the sphere of building such social infrastructure projects as freeways, ports, schools, hospitals, administrative buildings, and housing. Our experience has been amassed thanks to our extensive involvement in building and erecting similar projects in various countries—particularly the Near East and Southeast Asia. We expect that our tried and tested construction potential will promote the development of Soviet society's social infrastructure and progress.

I was happy to hear that construction of a Korean-Soviet Trade Center was recently announced in Moscow. It will be begun this year. The center will comprise an administrative complex, a hotel, exhibition halls, and office buildings.

I would like to take this opportunity to express the hope that the Soviet Union will be able to grant Korean entrepreneurs more favorable conditions in order to enable them to step up their activity.

[Spiridonov] What joint steps could, in your view, be taken by our two states to overcome confrontational thinking and to strengthen peace and stability in the Asian-Pacific region?

[No] Rapidly developing Korean-Soviet relations have shown the region and the entire world that the "cold war" structures in the Asian-Pacific region have finally started to break down.

The improvement in our bilateral relations is conducive to peace and prosperity in the region—it is the driving force making the region move away from confrontation and enter an era of regional cooperation and prosperity.

The Asian-Pacific region accounts for more than 50 percent of world production and is the most dynamically developing area in the world.

Yet the waves of change which have transformed Europe have not yet reached the region. The development of Korean-Soviet relations is stimulating a wave of change in our region.

Northeast Asia, of which the Korean peninsula is part, has experienced five major wars in the past century. Following World War II the "cold war" confrontation between East and West spilled over into a war on the Korean peninsula.

To ensure that a new order prevails in the region in a spirit of reconciliation and cooperation, historical and geographical specifics require that solid bilateral relations be established initially between the region's countries. Subsequently, multilateral cooperation and development across the entire region could be ensured on the basis of sound bilateral relations between a number of countries.

That is why the ROK and the Soviet Union should cooperate closely in the interests of regional peace and stability, actively developing bilateral economic cooperation, cultural exchanges, trade relations, and contacts between people.

The relaxation of the tension brought about on the Korean peninsula by the split and confrontation is the main task for peace and stability in the Asian-Pacific region. Without reconciliation and cooperation between South and North Korea it would be hard to count on breaking with the confrontational "cold-war" structure in Northeast Asia.

We do not want North Korea to remain isolated. We want North Korea to become part of the outside world and to join in our common efforts in the interests of progress and prosperity.

In this connection we want North Korea to take a more constructive and sensible stance and, with us, to strive for general prosperity until peaceful unification is achieved. The Soviet Union's contribution to the implementation of this process will undoubtedly promote peace and stability in the Asian-Pacific region.

Such joint efforts would promote, in particular, the resolution of the question of North and South Korea's membership of the United Nations. The ROK has a population of 43 million, it successfully staged the 1988 Olympics in Seoul, and is currently number 12 in the world in terms of trade volume. The fact that hitherto it has not been a UN member runs counter to the principle of universal representation in that international organization. The simultaneous admission of the two Korean states to the United Nations would to a considerable extent promote an improvement in relations between South and North Korea, and the preservation of peace and stability in the region.

The admission of South and North Korea to the United Nations with just one seat—as North Korea insists—is unrealistic, and it is hard to accept its claim that simultaneous admission to the United Nations would perpetuate the split in the country.

In the event of North Korea continuing to reject simultaneous admission with us to the United Nations, the ROK will apply for admission this year. But if North Korea subsequently wishes to join the United Nations, we would welcome and support that step.

We hope that the Soviet Union will actively promote the establishment of a new cooperation order and break the confrontational "cold war" structure in our region.

[Spiridonov] Do you consider that the time has come for the Northeast Asian countries to implement initiatives aimed at limiting and reducing armed forces, including nuclear weapons and naval forces, in the region? Does the ROK leadership have such proposals in its diplomatic bag?

[No] The ROK is striving to strengthen peace worldwide. We want to live completely free from all forms of military threat, including nuclear weapons. We advocate

the eradication of armed confrontation in the Asian-Pacific region, which is capable of destroying all of us.

Arms control or arms reduction in the Asian-Pacific region is an international problem which should be decided at the initial stage, as it was in Europe, by those powers in the region which have strategic nuclear arms—including nuclear weapons—blue-water navies, and other strategic forces.

We saw how the success in Europe at the U.S.-Soviet talks on intermediate-range and shorter-range missiles and on strategic arms reduction created the basis for rapid progress in conventional arms control.

After an atmosphere conducive to reconciliation and cooperation between Northeast Asian states is created in the region, we can expect that the Soviet Union and the United States will in due course raise the question of strategic arms control and reduction.

For the time being the countries of Northeast Asia should actively promote the creation of a new international order in a spirit of reconciliation and cooperation, developing political, trade, and economic exchanges and cooperation.

The ROK has already advanced realistic proposals which will make it possible to implement various exchanges with North Korea. Thanks to these contracts we could establish confidence-building relations and then move to talks on mutual arms reduction.

The ROK is considerably concerned about nuclear arms proliferation.

We demand that North Korea properly observe nuclear security measures in line with the demands of the Nonproliferation Treaty, to which it is a signatory, and immediately open its nuclear installations to international inspection.

[Spiridonov] Mr. President, there have been three rounds of talks between the ROK and DPRK premiers. What are the prospects for Korean unification on a peaceful and democratic basis?

[No] As is well known, the Korean peninsula was divided by foreign powers, and the "cold war" turned into a war on our peninsula. Because of this, confrontation and tension persist on the Korean peninsula. Relatives and members of the same families in the South and North cannot exchange letters, telegrams, or phone calls. This undoubtedly produces a great deal of suffering. It is impossible even to find out if people's relatives are alive or dead.

To ease this confrontation and tension it is extremely important for us to establish relations in which both parts of Korea would implement mutual contacts and exchanges.

To this end, the ROK, showing the utmost patience, is continuing its efforts to develop contacts and dialogue with North Korea.

Last year there were three rounds of talks between the premiers. Moreover, there were cultural and sports exchanges, although on a limited scale. Nonetheless, we believe that these contacts are important in themselves.

Fellow countrymen in the South and the North are one nation with a common language, customs, culture, and history. If the path is opened to exchanges between South and North, unified social structures will be created in all spheres.

The two parts of Korea should establish relations which promote our common security and prosperity until such time as political unity is attained. It is quite likely that South and North Korea will be able to reach agreement on the creation of an interim coalition of South and North with a view to expanding mutual exchanges and cooperation and to promoting the unification process.

If, as a result of this process, the basis for political unity takes shape, there will be an opportunity to carry out unification peacefully, independently, and democratically.

Everyone thought that German unification would be difficult, and yet Germany has unified. The bold and courageous cooperation and support given by the Soviet Union to German unification made a great impression on the Korean people.

The Korean people are sure that peaceful unification is an attainable goal and that it will definitely be achieved in this century.

'Team Spirit' Said To Hurt ROK-DPRK Relations

SK2503094391 Moscow International Service in Korean 1100 GMT 22 Mar 91

[(Andrey Ilyin) commentary on U.S.-South Korean Team Spirit-91 exercises; from the "Focus on Asia" program]

[Text] The mobile exercise currently in force, the 16th of its kind, is smaller than ever in size and shorter than ever in its duration. The number of servicemen participating in the exercise was cut by 30 percent, down to 140,000 and its peak stage was shortened from 14 days to 10 days.

Observers link such reductions to the situation in the Persian Gulf and to Seoul's desire to placate Pyongyang which sees the mobile exercise as a threat to its own security and an obstacle to reunification of Korea.

Despite the ROK's repeated assurance that the mobile exercise is of purely a defensive nature, the DPRK regards it as a nuclear test war against the northern half. Every year since 1986, the DPRK has suspended talks with the South and raised the combat posture of its own armed forces while the mobile exercise was under way.

It has done the same thing this year. Pyongyang has broken up government-to-government talks between the North and South over military and political issues, as part of unilateral procedures.

It is not just from the DPRK that the mobile exercise has aroused such a serious negative reaction. It has also been accompanied by student protest demonstrations.

The special nature of the Team Spirit-91 lies in the fact that its earnest stage began only after the war in the Persian Gulf came to an end. The war in the Middle East has had impact on the Korean peninsula, too.

Robert RisCassi, commander of the U.S.-South Korean Combined Forces Command, is quoted as stating that the war in the Gulf has reduced the possibility of a war breaking out on the Korean peninsula. The resolve not to tolerate any illegal provocations anywhere in the world, demonstrated by the United States and its allies, is the reason. He also noted that the war against Iraq has done nothing to keep the United States from carrying out its commitment to South Korea.

According to observers, the United States is paving the way for a phased withdrawal of nuclear weapons from the Korean peninsula. Gen. John Vessey, former chairman of the Joint Chiefs of Staff, and Gaston Sigur, former assistant secretary of state for Northeast Asia and Pacific affairs, stated in a symposium held recently in Washington that nuclear weapons can be withdrawn from South Korea without hurting the security of the republic [as heard].

Although Seoul confirms that its military parity with Pyongyang will have been reached by the end of the current decade, observers note that if the ROK's current level of technology is taken into consideration, the military parity between the two countries can be said to already exist.

Meanwhile, in a recent meeting with the graduates of the Korean Military Academy ROK President No Tae-u said that the nation is called upon to beef up and strengthen military forces to counter the threat coming from the North. He also stated the need to stay far ahead of the North in ensuring [word indistinct], logistics, and telecommunications network.

Such a statement provokes the most negative reaction from the DPRK side which accuses ROK leaders of exacerbating military confrontation on the Korean peninsula and of being insincere in talks between the two sides of Korea.

In Seoul's military buildup policy Pyongyang sees the reason why the ROK side opposes its proposal of signing the nonaggression declaration, that it is an expression of a desire to force its own preferred way of reunifying the Korean peninsula on Pyongyang.

A number of Soviet military commentators are doubtful about the legitimacy of the Team Spirit mobile exercise being conducted under such conditions.

When the operations are seen in purely a military viewpoint, the armed forces of the United States and the ROK are well trained (?for repeatedly conducting exercises). It is of particular importance to take into consideration the changed international situation and the impact the mobile exercise has on talks between the two sides of Korea which are just the opposite.

Near East & South Asia

Iraqi Opposition Leader Views Popular Uprising

LD2503182991 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 25 Mar 91

[Interview with Iraqi opposition leader Fakhri Karim, by correspondent Rostovtsev, place and date not given; from the "Vremya" newscast—Karim's comments are in Arabic with superimposed translation to Russian]

[Excerpts] [Rostovtsev] It seems that the occupation of Kuwait has had a boomerang effect despite the plans of the Baghdad regime. As a result, Iraq received not a 19th province, but civil war within its own borders. [passage omitted]

[Karim] This process will continue as the various forces of the opposition find points where their interests coincide. As a whole, the popular uprising is aimed at finding a democratic replacement for the dictatorial regime of Saddam Husayn.

[Rostovtsev] But it is known that the regime still has quite a strong military force. Who does the future of Iraq belong to?

[Karim] That is true. Saddam Husayn still has great military might, and is able to resist the popular uprising. The opposition is badly armed, and of course their actions cannot be compared with the collection of forces of the coalition. But we are convinced that the uprising will draw in more and more people who will never forgive Saddam Husayn his crimes, nor forget the disasters and sufferings that have rained down on them, through his fault. So the future of Iraq lies with its people.

Motives for Iraqi Leadership Reshuffle Examined

PM2603094591 Moscow PRAVDA in Russian 25 Mar 91 First Edition p 5

[Report by PRAVDA correspondent V. Belyakov: "Iraq: Why Was the Reshuffle Needed?"]

[Text] Cairo, 24 Mar—Following his military defeat by the multinational forces and having encountered armed demonstrations from the Shiites in the south and the Kurds in the north, Iraq's president Saddam Husayn has reorganized his government.

The autonomous post of prime minister has been introduced for the first time in many years to which a prominent member of Saddam Husayn's regime has been appointed. Sa'dun Hammadi—a Shi'ite Muslim—is considered a moderate politician. Taha Yasin Ramadan has been appointed vice president. Tariq 'Aziz has lost the post of foreign minister, but has remained deputy prime minister. Ahmad Husayn Khudayyir has been appointed the new head of the diplomatic department.

Everything indicates that the reshuffle in the topmost echelon of the Iraqi regime aims to do several things at once. Above all demonstrate the weakening of Saddam Husayn's personal role in everyday affairs and thus make the regime more attractive both to the opposition and to the world community. What is more, Hammadi's appointment as premier is designed to appease the Shi'ites.

Reports from Iraq indicate that government troops have succeeded by and large in restoring their control over the rebel Shiite south. By neutralizing the Shi'ites militarily and politically, Baghdad would obtain a chance to concentrate its efforts on suppressing the revolt in the Kurdish north, which is virtually entirely under rebel control.

On the other hand, the Shi'ite activities in the south have aroused the anxiety of a great number of Arab leaders who see in those activities the danger of increased Iranian influence in the Arab world. The leaders of the [Iraqi] opposition have categorically rejected the idea of a possible middle solution with the Saddam Husayn regime. It should be recognized here that they have grounds for their lack of trust in the promises of a man who created a dictatorship which he consolidated through the physical liquidation of his opponents.

Therefore, Iraq has no alternative but to go through a civl war one way or another as long as Saddam Husayn is in power. It is not at all unlikely that those who are close to the Iraqi president might themselves decide to put an end to it all. The press has been talking about an attempt to assassinate Saddam Husayn. The Arabian Gulf countries together with Syria and Egypt have decided not leave things to chance. They have announced their determination to set up an alliance for regional security under an unified military command. It is very difficult at the moment to forecast the fate of such an alliance. It seems, however, that the decision to set it up in the present circumstances is to counter the theoretical danger from Iraq—to be precise, from its president Saddam Husayn. Such a danger, however, exists only in theory because the Iraqi Army is not able to wage another war after operation Desert Storm except against its own civilian population.

So the Iraqi president should not exaggerate the strength of his Republican Guard and its loyalty to him. Moreover, Iraq's political life has yet to experience the traditions of a peaceful settlement of disputes and differences between various parties and groupings. In light of the above facts, and in the event Saddam Husayn's opponents seize power, the world would see that the settlement of accounts with the Iraqi dictator and his close aides would be carried out in a manner which is contrary to civilized behavior.

Commentary Views Possibility of Saddam's Fall

LD2503175391 Moscow Radio Peace and Progress in Arabic 1400 GMT 25 Mar 91

[Andrey Vasilyev commentary]

[Text] U.S. President George Bush has criticized the recent reshuffle in the Iraqi leadership. He announced that the essence of the ruling regime in Iraq will not change as result of this reshufle because it will still be carrying out Saddam Husayn's orders at all times. Our station's commentator Andrey Vasilyev writes:

The White House indicated from the outset of the Gulf crisis that it would never deal with the present Iraqi president. This stand has not changed. At the same time, the United States did not try, during the military operations to liberate Kuwait, to use force to topple Saddam Husayn although most analysts unanimously agreed that it was possible for the United States to do so. There are indications that Washington has decided not to put a price on Saddam Husayn's head; it has left the Iraq opposition forces to manage their own affairs.

So what is the situation inside Iraq today? The Kurdish rebels are still claiming that they are in control of all the northern territories of the country, including Karkuk and al-Mawsil. It is quite possible that such claims are true. One must point out that the Kurds in the north of Iraq are relying on the assistance of their own tribes. It is rather unlikely that they will be able to advance to far away regions in the south because the Arab majority in the country would never accept a Kurdish regime.

Iran Rejects Accusations on Iraqi Invasion

LD2503220991 Moscow TASS in English 2156 GMT 25 Mar 91

[By TASS correspondent Mikhail Kochetkov]

[Text] United Nations March 26 TASS—Iraq on Monday accused Iran of invading its territory. In a letter to the United Nations Secretary-General circulated at the U.N. headquarters in New York, the Iraqi ambassador said that the invasion began early in May after the group of U.N. military observers in Iran and Iraq ended its work.

Iraqi and Iranian armed forces clashed as a result, it said.

Iraq has repeatedly stated that armed groups were infiltrating its territory from a "neighbouring country". It has now officially accused Iran in such actions.

Iran rejected these allegations, as groundless. In a letter to the U.N. secretary-general the Iranian ambassador said that Iran does not itend to interfere in Iraq's internal affairs and categorically rejects all irresponsible statements in this respect.

Gulf Expert Interviewed on Kuwaiti Relations

LD2503210491 London KUNA in Arabic 1847 GMT 25 Mar 91

[Text] Moscow, 25 Mar (KUNA)—A top Soviet official has expressed his hope that His Excellency the amir of Kuwait, Shaykh Jabir al-Ahmad al-Jabir al-Sabah, will respond to the invitation of President Mikhail Gorbachev to visit the Soviet Union.

Sergey Vladimirov, head of the Gulf region states department at the Soviet Foreign Ministry, said in an interview to KUNA today that we are aware of the present difficult situation in Kuwait. We hope, however, that the visit will take place when circumstances permit. He added that the Soviet side is eager to reopen the Soviet embassy in the state of Kuwait as soon as possible, as well as open a trade attache. He stated that during the coming phase, his country would strive to bolster Soviet-Kuwaiti relations in all fields.

He indicated that relations between the two countries have always be characterized by an excellent aspect. He highlighted the satisfaction expressed by Kuwaiti officials on numerous occasions regarding the Soviet stance vis-a-vis the Kuwaiti crisis. This stance emphasized the strength of these relations during the critical phase experienced by Kuwait. Vladimirov pointed out that the Soviet Union's stance had helped Kuwait to be liberated and to regain its sovereignty and independence. He expressed the hope that the situation in Kuwait will be normal and stable now that the aggressor had been thrown out.

He pointedly asserted the importance of continuing Soviet-Kuwaiti economic cooperation in light of the need to face up to the tasks facing the Kuwaiti people, particularly its efforts to protect the environment, to quell the fires in the oil fields, and to fight the oil slicks. Vladimirov pointed out the readiness of the Soviet institutions, which have rich experience in this respect, to answer any Kuwaiti request to help in quelling the fires and cleaning up the oil slicks.

In the course of his elucidation on his country's stance toward the setting up of an organization for regional security in the Gulf region, he said the principal role should be played by the countries of the region, which must "initiate talks and create understanding on how to find a framework that meets the interests of all concerned countries, a framework that can be the basis of a system that takes into consideration the interest of all sides." Vladimirov called on the United Nations to continue its participation by playing the role of a guarantor of the agreements on establishing collective security, either on its own or alongside other international parties.

He added that the United Nations form an international naval force to guarantee free navigation in the Gulf region whenever this region is subjected to danger, as well as attach importance to activating the role of the UN Security Council military staff committee. He stated that the United States has expressed interest in the Soviet ideas regarding the establishment of a security body and is scrutinizing them.

Regarding his views on the situation in Iraq, Vladimirov said that the people alone are capable of choosing their leader. He indicated that Iraq could participate in the security body because it plays an important role among the the states of the region, irrespective of any individual ruling this country.

Islamic Party Leader Interviewed on Gulf Events

LD2203070191 Moscow International Service in Arabic 1500 GMT 21 Mar 91

[Report by unidentified correspondent on remarks by (Ahmad Qadi Akhtayev), leader of the Islamic Renaissance Party, at a meeting with Soviet orientalists in Moscow; date not given;—recorded]

[Excerpts] [(Akhtayev)] The party was founded in a constituent congress held in Astrakhan on 6 June and was attended by more than 200 delegates and 100 guests. The party headquarters is in Moscow. It has to be said that the capital received us with cheerfulness and understanding. The USSR Justice Ministry laid down the legal foundation for our party and we now hold full rights, like any other social organization such as the trade unions and the Soviet Communist Party and so forth. [passage omitted]

[Correspondent] The discussion then tackled the prospects of cooperation later with the Islamic world, of which the Soviet Muslims constitute a part. Akhtayev said Soviet Muslims view with understanding the concerns and problems of their brothers who are foreign in matters of religion. I asked how the IRP, represented by its leader (Ahmad Akhtayev), assesses the events of the Gulf.

[(Akhtayev)] As far as the Gulf crisis is concerned, we are against any aggression in the first place, against the attack of Iraq against Kuwait and against the U.S. aggression. Saddam Husayn, his Ba'thist policy and his ambitions in the oil of Kuwait and the annexation of territories—all this casts suspicion on all Muslims. [passage omitted]

West Europe

Reports Note Visit of UK's Hurd to USSR

Talks With Shevardnadze Noted

PM2503084591 Moscow PRAVDA in Russian 23 Mar 91 Second Edition p 5

[TASS report: "Visit Over"]

[Text] British Foreign and Commonwealth Secretary D. Hurd left Moscow for home 22 March after completing a working visit to the Soviet Union.

Before departing, D. Hurd had talks with E.A. Shevardnadze.

Holds News Briefing, Departs

PM2503134091 Moscow IZVESTIYA in Russian 23 Mar 91 Union Edition p 4

[Article by diplomatic correspondent M. Yusin: "Results of British Minister's Visit"]

[Text] Douglas Hurd, British secretary of state for foreign and commonwealth affairs, completed his working visit to the Soviet Union on Thursday, 21 March. Hurd's trip began on Tuesday in Kiev, where he spent more than 24 hours. During his visit to the Ukrainian capital it was announced that Britain is opening a consulate in Kiev.

The Moscow part of Hurd's visit included talks with USSR President Mikhail Gorbachev, Russian Supreme Soviet Chairman Boris Yeltsin, and USSR Foreign Minister Aleksandr Bessmertnykh. Speaking at his final news conference, the British minister said that his conversations with Gorbachev and Yeltsin were almost entirely devoted to the domestic situation in the USSR. "I spoke with Mr. Yeltsin about the recent events in the USSR and its plans for the future and he acquainted me with his view of the situation," Hurd said, declining to go into detail.

The main topics at the talks between Hurd and Bessmertnykh (this was, incidentally, their first meeting) were the Persian Gulf, the Near East, disarmament, and bilateral relations, particularly economic cooperation. Hurd noted that the two countries' approaches to the situation in the Near East and in the Gulf are very close.

Regarding Iraq, Hurd stated that from the British standpoint it is impossible to normalize relations with that country while an aggressive regime is in power in Baghdad. The minister formulated once again London's position in the Arab-Israeli conflict: "We support the Security Council resolutions. They offer a compromise solution under which both Arabs and Israelis should make concessions: The Arabs recognize Israel's existence while Israel, for its part, ends its occupation of Palestinian territories." Touching upon the PLO's role, Hurd said "All members of (the anti-Iraq) coalition, including the Soviet Union, have condemned 'Arafat, who justified Kuwait's seizure by the Iraqis. Despite 'Arafat's position, the PLO must not be ignored, howeve. It is still supported by a considerable section of Palestinians."

The minister acknowledged that serious disagreements remain between the USSR and Britain on the question of the conventional arms treaty. He was pretty skeptical about the prospects for further economic cooperation. "We have not yet seen in the Soviet Union a program of economic reforms which would justify, from our standpoint, considerable amounts of Western aid," Hurd said. He expressed concern that many British companies are not receiving commercial payments for goods and services provided by Soviet enterprises. "Both in Moscow and in the Ukraine I spoke about how difficult it is for businessmen to carry out investment in a country where it is unclear who is responsible for what, what belongs to whom, who does what, and what the prospects for entrepreneurial activity are," the British minister stated.

Touching upon the domestic situation in the Soviet Union, Hurd noted that our country is going through "a very tough month and nothing indicates that the road ahead will be easy." He confirmed that London "supports the course of continuing the reforms started in the USSR." Answering a question about Britain's ties with the Baltic republics, the minister said that his government intends to expand contacts with Lithuania, Latvia, and Estonia at various levels, including the legislative sphere; however, it is too early yet to talk about establishing diplomatic relations.

IAN Version of Dzasokhov Interview on Honecker

PM2503163191 Moscow IAN PRESS RELEASE in English 20 Mar 91

["Exclusive IAN interview" with Aleksandr Dzasokhov, member of the Politburo and secretary of the CPSU Central Committee; place and date not given: "Erich Honecker in Moscow". A Berlin NEUES DEUTSCHLAND version of this interview was published in the 25 March Soviet Union DAILY REPORT, page 30, column two, under the headline "CPSU's Dzasokhov Interviewed on Honecker"]

[Text] Moscow (Novosti) The former party and state leader of the former GDR, Erich Honecker, is undergoing a course of treatment at the Mandryka General Hospital in Moscow. The hospital is directly accountable to the USSR Ministry of Defence. In an interview with Novosti, the head of the hospital, Antipov, refused to disclose the details of the diagnosis and treatment of the patient but said that "his condition remains serious". Asked about the possible duration of the treatment, the hospital chief replied "I do not know".

78-year-old Honecker and his wife were brought to the USSR on Wednesday, March 13, after a sharp deterioration of his health. Last year Honecker underwent surgery on a kidney in connection with a suspected tumour. He has spent the past few months at the Soviet

military hospital at Belitz on the territory of Germany. On November 30, 1990 the Supreme Court of Berlin issued an order for the arrest of Honecker under the charges of involvement in the death of 192 Germans who were killed on the basis of a directive signed by him, proscribing border guards of the GDR to shoot anyone who tried to cross the country's border and escape to West Germany or West Berlin.

There follows an exclusive Novosti [IAN] interview with Aleksandr Dzasokhov, Communist Party of the Soviet Union Central Committee Secretary and Politburo member, chairman of the legislative Committee for Foreign Affairs.

[IAN] Erich Honecker, the former East German leader, is known to have escaped to the Soviet Union. What are your comments?

[Dzasokhov] Ever more people in what used to be East Germany are persecuted for their past political activities, arousing due concern in the Soviet Union. Reunification presupposed equal civil and constitutional rights for all Germans, including former East German leaders. Now, Mr. Honecker is an old man, with an eventful and contradictory life behind him. He headed a sovereign country for many years.

I do not think we have any reason to reject him or anyone else who wishes to spend their last days abroad. He had close contacts with the Soviet Union for decades. His emigration irritates our German colleagues. We expect them to substantiate their stance, and we are willing to listen to them, and give them our counter-arguments.

[IAN] So Mr. Honecker wanted to go to the Soviet Union. Did he say so himself?

[Dzasokhov] He did—very expressly. I know he is quite content now.

[IAN] Was his emigration a condition for Soviet-German understandings to be ratified?

[Dzasokhov] Some People's Deputies and political leaders think it was. Still, this is no more than a private affair, however important. We have no reason to tie it in with a major political process in which new Soviet-German relations are emerging.

[IAN] A criminal investigation has been started against Mr. Honecker in Germany. Do you not feel uneasy?

[Dzasokhov] We have every opportunity to check what was lawful and what was not in his past activities, and the present level of Soviet-German relations allows us to do it.

Latin America & Caribbean

Cuban Official Escalona Speaks on USSR Ties

PM2503114891 Moscow PRAVDA in Russian 20 Mar 91 Second Edition p 5

[Interview with Juan Escalona, president of the National Assembly of People's Power of the Republic of Cuba, by Yu. Stroyev in Moscow; date not given; last three paragraphs are additional "stop press" item: "You Cannot Bring Back the Past"]

[Text] In Cuba he is considered a man for whom the words "socialism or death" are not merely a ritual phrase pronounced at the end of a speech.

We met with Juan Escalona in Moscow, where he was heading a delegation of the National Assembly of People's Power on an invitation from the USSR Supreme Soviet:

[Stroyev] In your country 1990 passed by under the label of "an emergency period in peacetime." Some analysts are calling it one of the most critical moments in Cuba's postrevolutionary history. In your view, what is this connected with?

[Escalona] It is not just the analysts who are claiming this, we are saying it ourselves. The country is indeed going through a most difficult period. We came up against problems immediately after the overthrow of Batista, and to this day we are still not rid of problems. Over these years, to be frank, we have made plenty of mistakes. Why? Possibly because we were idealists, we rejected material incentives and believed that we should devote our entire life exclusively to the revolution. We were even sure that it is possible to arrive at communism without passing through socialism.

Following the example of other fraternal countries, the priority development of industry was then begun by curbing social programs. In trying to overcome our backwardness as fast as possible, we took upon ourselves the development of many major projects, got involved in protracted tasks, and as a result we did not finish anything.

We then decided to organize free peasant markets. But we created only a pathetic copy of the Soviet kolkhoz markets. These were exploited by middlemen who bought produce at low prices from the peasants and then sold it in the cities at high prices. It turned out that the markets supplied the needs of only 2 percent of the population. The markets that were enriching the middlemen were closed down.

After the Third Communist Party Congress in 1986, we undertook to rectify mistakes.

We also analyzed our foreign economic ties, and looked more realistically at the generosity of the USSR and the commitments we ourselves had undertaken to fulfill in relation to our partners.

We had grown accustomed to exercising the right to demand things. But we had never to the same degree exercised the right to give things back. I think life was too easy for us. We now decided on a 100-percent fulfillment of our own commitments in relation to the Soviet Union. It seemed that we had found a sure way of correcting our own mistakes.... Then Eastern Europe exploded.

Fortunately, the romanticism of the first years of the revolution enabled us to train good scientific cadres, thanks to whom, for example, we successfully established a powerful pharmaceutical industry. As early as 1989 we were selling part of its output abroad. A contract worth $150 million was signed with Brazil alone which enabled us to buy in certain kinds of goods which had stopped coming to Cuba from socialist countries. We also used to trade with England, Canada, and Japan, but nevertheless 87 percent of our total foreign trade was with socialist countries, in particular with the USSR. We are now successfully expanding our ties with Latin American states.

The internal difficulties in the Soviet Union and the related shortfall in delivery of certain kinds of products have caused tension in our economy. Cuba has been forced to slow down and even discontinue its planned production, and to shorten the working day at enterprises. But, whatever happens, we are lucky. For example, the USSR has agreed to reexport the saved portion of the oil we receive.

We only signed a new cooperation treaty with the USSR for 1991 21 December last year. Leonid Abalkin, then deputy chairman of the USSR Council of Ministers, and other officials traveled to Cuba. They reaffirmed the USSR's resolve to continue helping Cuba. This did not rid us of our problems, however.

[Stroyev] Is your visit connected with possible changes in the cooperation between our countries?

[Escalona] I honestly do not think this visit will bring about cardinal changes in our relations. We perfectly understand the Soviet leadership's political will to fulfill its commitments. In the new conditions this is not so simple. Payment in convertible currency and the transportation of exports by our own fleet are difficult conditions for us ourselves as well. But these documents have been signed, since this was the request of the Soviet side. We will not try to amend anything in them—everything has already been agreed on. There are commercial experts in the delegation who will merely try to translate the treaties into contracts that can be fulfilled. After all, there are currently hundreds of thousands of tonnes of sugar in Cuba that are destined for the USSR and are waiting for your vessels to arrive. It is the same story with citrus fruits. But we do not intend to make any official statements on this matter. Our leadership is sure that the Soviet side will be able to resolve all the problems.

There will be no return to the old relations, to the coordinating of five-year plans. As regards the political aspect of the visit, we felt: Socialism is alive in the consciousness of the Soviet leaders. We have managed to learn many useful things in the area of legislative work.

[Stroyev] In the West they are forecasting a "cooling" in our relations. In particular, these forecasts are based on contacts that some Soviet figures have established with Cuban emigres in Miami, and also on statements in independent press organs. In one of his speeches Fidel Castro called these people forces "hostile to Cuba," and identified them with those who want to destroy the USSR, disregarding the threat of civil war breaking out....

[Escalona] Anti-Cuban sentiments have indeed been appearing in the Soviet press. Our ambassador was even obliged to write a protest letter. But the same people are also conducting anti-Soviet propaganda. The arguments of some Soviet philosophers who reject their history seem blasphemous to us. They condemn the role of Lenin and argue about what sort of revolution is best. This is hard to understand. There was a time when we used to engross ourselves in MOSKOVSKIYE NOVOSTI. But now we ask ourselves the question: Where does it get so much discontent from, and why is it always negative and calling for everything to be destroyed? For us, for example, rejecting the October Revolution is tantamount to rejecting ourselves. 30 years of friendship have not passed by without leaving a trace in our hearts.

The Cuban emigre community is currently divided into two groups. There is the extreme reactionary Cuban-American National Foundation. This is headed by Jorge Mas Canoso, who quit Cuba as a boy. Now he is a close friend of Bush's son and has successfully established quite a strong lobby in the U.S. Congress. They want no relations whatsoever with present-day Cuba. Mas Canoso has even paid a group of American specialists to write a new constitution and imagines himself as a future president. This is a fairly powerful group which has access to substantial capital and has major ties in Congress.

There is also another group which adopts more realistic positions and favors establishing relations with Cuba.

According to our information, the group of Soviet representatives who traveled to Miami agreed on nothing specific. Perhaps they assume that what happened in Eastern Europe will happen in Cuba, and then the "gusanos" ("worms"—Yu.S.) [Cuban emigres] will crawl to power. This is why they have been quick to start up a friendship that will be of advantage to them in the future. This is utterly futile.

[Stroyev] To all appearances, however, the United States is reckoning on radical changes in Cuba. Not so long ago yet another top-ranking American official hinted that the United States "will meet Cuba halfway" if your republic yields to the temptation "to go social democratic." Does such a temptation exist?

[Escalona] We have never dreamed of doing this.... Can one really treat a statement like this seriously?! In a recent speech he made in Santiago de Cuba, Fidel stated that nobody would succeed in taking Cuba back to capitalism, exploitation, and latifundios. No, the past is not coming back!

[Stroyev] We know that Cubans endure difficulties with fortitude and dignity. How are they reacting to the "emergency period?"

[Escalona] Our society has never been a society of plenty. Our much criticized libreta—ration card—has at any rate provided the population with basic food products, the prices for which to this day do not exceed their 1959 level. On the whole, the shortage is felt in clothing, footwear, and other goods. At the same time, we have achieved major successes in building schools, kindergartens, hospitals, and other social facilities. So the forced stoppage of this program is not a disaster. The people know what is happening, the position of the country has been explained to them with all openness. Of course, this cannot give grounds for celebration. After all, 32 years have passed since the victory of the revolution, and there are still restrictions, people are not managing to live any better.

At the same time, we are seeing other processes as well. For example, the strengthening of the party and the people's grasp of political and ideological work.

Of course, small groups of dissenting "human rights campaigners" have also appeared in our country. But they represent only a few. This whole campaign to do with "human rights" has clearly been manipulated by the Western mass media and the diplomatic mission representing American interests in Havana. I am sure that our people recognizes as never before its role in resolving political and economic tasks, and in defending the country.

[Stroyev] What awaits Cuba, then? Even more difficult times? Many people think that the Fourth Party Congress will answer these questions....

[Escalona] The party forum is scheduled for the first half of this year. A document has been prepared—a serious analysis of the country's economic situation, its problems and former mistakes, concrete actions. For the first time we have broken the traditional pattern of the traditional Communist Party's traditional congress. The discussion was not confined to a circle of leading cadres. The entire people participated in it. We took into account the opinion of the majority, the minority, and even of individual people. As a result the suggestions of 1.2 million people on 500 basic topics that are worrying Cubans were processed on computer. Of course, many questions are interrelated and repeat each other, but the opinion of the entire people is reflected in them.

It is true that we are not about to scrap Article 5 of the constitution, which defines the leading role of the party. Neither do we intend to encourage the establishment of any other parties. But we will extend democracy to the limits that our people demand. We do not expect congratulations and applause from our enemies. But we will gladly fulfil all the hopes and wishes of Cubans. A discussion of the Communist Party Central Committee slogans for the congress itself became a national referendum in which the entire people participated. Changes await Cuba. Big ones, too. [Interview ends]

Stop Press

The Soviet Committee for Cooperation and Solidarity with Latin American Countries has made a statement which says specifically:

It has come to light that a bill has been introduced in the House of Representatives of the U.S. Congress based on a desire to link the future development of the trading and economic relations of the United States and the Soviet Union with a cessation of Soviet aid to the Republic of Cuba.

Reflecting Soviet public opinion, the Soviet Committee for Cooperation and Solidarity with Latin American Countries believes that the future development of multifaceted relations between the USSR and Cuba on a renewed basis in no way impinges on the interests of any state and forms part of the worldwide process of strengthening international ties. We believe it is precisely these steps aimed at reducing confrontation in American-Cuban relations and encouraging closer involvement of Cuba in the structure of political and economic integration in the western hemisphere that would comply with the goals of lessening tension in this region in the interests of all the states situated there.

Negative Press Propagates Anti-Cuban Campaign

PY2303040291 Moscow Radio Peace and Progress in Spanish 0200 GMT 20 Mar 91

[Valentin Mashkin commentary]

[Text] The Soviet press used to say only nice things about Cuba before the reorganization of the Soviet Union under perestroyka. This is understandable because the two countries agreed on practically everything.

The transformations in the Soviet Union have changed the tone of the Soviet articles. The Soviet press, radio, and television began to talk about the negative aspects of Cuban life, and recently the criticism has come from the official media. I believe that this can be justified. Quite a few positive changes are taking place in Cuba, however. We should not forget that there are positive and negative aspects of the Cuban situation.

We should recall the literacy campaign and the beautiful schools, and hospitals built after the revolution, as well as the large industrial plants also built in an agrarian country like Cuba, and the social protection system for the population which perhaps is not perfect but works

very well. We should not forget that in the last decades Cuban development has been obstructed by many circumstances. You should recall that there were interventions in the region; there were many efforts from the outside to establish a new government, to unleash a civil war in the republic. The Cuban worms who live in Miami never stopped their campaign against Cuba. Furthermore, Washington organized and orchestrated an anti-Cuban campaign.

The world situation has changed in the last few years; therefore, conflict resolution by political means is gradually becoming an important international practice. We have to admit, however, that the anti-Cuban campaign has not stopped. There was an indication of this campaign early this month during a session of the UN Human Rights Commission in Geneva. For this reason I am pointing up this issue in this commentary. Some time has already passed since that session but the Soviet and international media continue to comment on it. Yesterday the Soviet daily IZVESTIYA published an article entitled "Duel in Geneva." I will talk about this article in another commentary.

Let me recall this particular case. The UN Human Rights Commission once again studied the violation of human rights in Cuba. In 1988, on an invitation from the Cuban Government, a UN delegation visited the island. The issue was then practically put to rest. But this issue cropped up again. The Latin American countries which supported the moderate UN draft resolution to which Cuba did not object should be praised. The resolution says that the United Nations should continue keeping watch over human rights in Cuba. But the United States intervened with an amendment calling for the appointment of a special representative to visit Cuba regularly. This measure is used only in extreme cases when civil rights [as heard] violations are of a malicious nature.

Let us again talk about Latin America. Unfortunately Argentina went against the absolute majority of the Latin American countries, excluding Panama, and voted in favor of the U.S. amendment. Therefore, U.S.-Cuban relations have become more complicated. The old confrontation between these two countries is now aggravated while the current world situation offers a new possibility: the negotiated solution of conflicts. It has been reported in Geneva that the representatives of the Rio Group talked about the negotiated solution and the IZVESTIYA commentator also agrees with this possibility. The Soviet daily says that the U.S. and Cuban governments should hold talks to discuss seriously and without prejudice the context of their entire relations which have been full of enmity and mistrust in 30 years of confrontations. It should be recalled that the Soviet Union has already made a proposal to help set up the talks.

Supreme Soviet

Supreme Soviet 25 Mar Session Reported

LD2503212191

Moscow Central Television Second Program Network in Russian at 1845 GMT on 25 March broadcasts a recorded account of the proceedings at the 25 March session of the USSR Supreme Soviet in the Kremlin, Moscow. Anatoliy Lukyanov chairs the session, beginning with answers to deputies questions.

At 1859 GMT USSR Deputy Premier Fedor Senko takes the rostrum to outline the situation in agriculture. He says that some people want to place the blame for all the difficulties in agriculture on Union bodies, but, he points out, both republican and local bodies have been in charge of agricultural matters since 1989. The Cabinet's task, he says, is to put things right, especially in view of the spring work now beginning. He goes on to outline the steps to be taken to rectify matters.

At 1926 GMT the deputies begin their discussion. Thirty deputies spoke. Deputy Luchinskiy states that those guilty of the shortfall in the delivery of tractors and motor vehicles to the countryside should be found and brought to account. Another deputy criticizes the miners for being irresponsible in persisting with their strikes. She also criticizes their incessant attacks against those in power. We have had enough of criticism, she says. The time has come for everyone to be responsible for what she or he does. Another deputy spoke in favor of agriculture being able to do without subsidies and being profitable.

At 1938 GMT Deputy Belov bewails the state of Soviet agriculture. He says it is politicians and economists that are to blame, not the peasantry.

At 1941 GMT another deputy foresees small farms not doing as well as big farms. It is essential, he says, to make sure that farms have all the machinery they need and the appropriate incentives must be created to get individual farms well underway.

At 1944 GMT Deputy Vorontsov from Bryansk oblast describes the sorry state of agriculture in his oblast. He says the fifth session must work out a law to ensure agriculture does not go under.

At 1947 GMT Deputy Nikonov of VASKHNIL says radical agrarian reform is essential. This issue must be properly examined at the session, he says, although a reform of this kind will take many years, for it is a complex and multifaceted task. The government must ensure that machinery does not stand idle due to fuel or spare parts being in short supply. The proper economic conditions must be created, trust must be reestablished, the countryside must be properly supplied. Agriculture is fragmented now, he says, while industry has more and more monopoly producers who feel they can set their prices as they themselves see fit. Science must be fully brought into play to help the countryside and science must therefore be properly financed.

Deputy Veprev says the collapse of agriculture amounts to the collapse of the state. If things are left as they are agriculture will sustain a loss of R50 billion in 1990, he says. Pay must be related to performance, and agricultural output could be used to purchase the necessary equipment outright. A law on agrarian reform must be adopted.

At 2000 GMT Deputy Umarkhodzhayev complains that Senko's speech was too vague. Another deputy says the proper economic base must be created for agriculture. A colleague agrees, saying agriculture must be more responsive to market needs; 3 percent of land in private hands yield 30 percent of output in Krasnodar Kray, for instance. Deputy Kurtashin suggests the government should adopt a special program for storing agricultural output.

At 2008 GMT the evening sitting adopts a decision on measures to ease price hikes. A Soyuz deputy reads a statement calling for a special session at which Gorbachev could present an account. The announcer says the miners' strike was also discussed.

Senko Addresses Supreme Soviet

LD2503222191

[Editorial Report] Moscow Central Television Second Program Network in Russian at 1859 GMT on 25 March, in its recorded report on today's session of the USSR Supreme Soviet in Moscow, broadcasts the speech to the Supreme Soviet by USSR Deputy Premier Fedor Senko.

He begins by outlining the government's point of view on the problems currently faced by the countryside. "In 1990," he says, "the production of agricultural output declined by more than 5 billion rubles." The picture is gloomy in all areas of agriculture, he says, and especially as concerns supplies to large cities and towns. He goes on to say: "Some senior officials are trying to make use of this situation for their own political aims. Moreover, they are not averse to making all kinds of insinuations and distorting the truth. All too often, all the difficulties that have emerged in the area of food supplies are laid at the door of the Union bodies, responsibility being thereby completely removed for tackling practical questions and for making use of the opportunities locally. I wish to recall that way back in 1989 a law was adopted delimiting the powers of the USSR and the republics: The management of agroindustrial production and, correspondingly, of food supplies, was, in the main, placed with republican and local bodies." All the bread grain that is produced remains in the republics, he says. Only one republic, Kazakhstan, transports grain outside. Russia's harvest last year was 128 million tonnes—an all time high, he claims. But only 33.9 million tonnes have been supplied to the state and the plan was underfulfilled by 13.1 million tonnes, and the shortfall must be made

good through imports. Senko goes on to list in broad terms the various republics and oblasts which have failed to deliver various goods in the required quantities.

With regard to Sverdlovsk in particular, he says, for many years the main suppliers of foodstuffs were situated in the Russian Soviet Federated Socialist Republic. "In January and February the oblast was undersupplied with about 7,000 tonnes of meat and 121,000 tonnes of dairy products," he says. The Union government therefore must take extraordinary measures to deal with this.

Senko then describes the main reasons for the situation which has arisen. Material-technical supplies to agriculture are getting worse, the economic diktat of monopoly enterprises which produce these resources is increasing, there has been a disruption in ties between manufacturer and consumer, hold-ups in the processing industries, and increasing dependence on imports." "The fact of the matter is that about 20 percent of the volume of foodstuffs is produced with the use of raw materials and materials purchased from abroad in one way or another," Senko says. The central economic bodies of the USSR ministries and departments, and local authorities too, frequently do not give support in helping to tackle the problems of the countryside. "In 1990, the rural areas were undersupplied with material-technical resources to the sum of over 7 billion rubles, including 63,000 tractors, 29,000 trucks, 30-40,000 excavators and bulldozers, 4.7 million tonnes of mineral fertilizer, 22,000 of herbicides and pesticides," Senko says. There was also a shortfall in supplies of building materials.

"Field work has already begun in the south of the country," Senko continues. "However, in the January-February period farms were undersupplied with a considerable quantity of tractors, trucks, cultivators, and crop-planting machines and other material-technical resources." The Cabinet of Ministers therefore called upon all ministries, departments, enterprises and organizations to change their attitudes to agriculture.

Deputy Premier Senko goes on to say that the government has adopted a specific decision in providing for spring field work. "The volume of field work is to increase by approximately one-quarter because not much has been done since the fall. Less plowing has been carried out and fewer winter crops have been sown. All forces and means must be fully mobilized," he states. Proper controls over the distribution of fuel are being carried out.

Senko then goes on to set out the tasks of machine-building ministries and enterprises in supplying spare parts for agricultural equipment. The government has adopted a special decision on the conditions and procedures for the participation in field work by townspeople, students, and so on, he says. Seed preparations have not been completed at many farms and quality is below that of last year. Planting of potatoes, in particular, is lagging.

By government decision, Senko continues, the heads of certain ministries and departments will be held personally responsible for ensuring that supplies of fuel, spare parts, fertilizers, herbicides, etc are carried out in good time. Local bodies are also required to improve organizations work, especially in drawing up contracts.

He goes on: "The country has lost a great deal because the area sown to grain has decreased by 18 million hectares, or by 15 percent, over the last 10 years." Measures are needed to step up economic incentives, and especially for increasing production of grain, corn, pulses, and oil-bearing crops, he says. "As far as the long-term development of grain farming is concerned," Senko says, "There are plans in the near future to examine a Union-wide grain program drawn up with the participation of the country's leading specialists and the governments of the Union republics. It provides for a package of economic, organizational-managerial, and scientific and technical measures aimed at increasing the production of food grain and fodder grain". The livestock problem cannot be resolved without resolving the grain problem. Similar programs are being drawn up for vegetable oil, sugar, meat, and other staples.

Senko goes on to look at the long-term development of the agroindustrial complex. The first task, perhaps the most difficult, he says, is how to ensure the priority of agricultural development in practice. There must be an expansion in links between the town and the countryside, and this must be done in such a way that it is economically advantageous for industrial enterprises to invest resources in the development of agricultural production.

Senko then turns to the problem of the population drift from rural areas. "Every five years more than 4 million of the most able-bodied of the population emigrate from the countryside to the towns. In some regions irreversible processes of depopulation have begun. This applies in particular to the farms of the nonchernozem zone of the Russian Federation". The main priority must lie in developing the social infrastructure of the countryside, Senko states.

Senko goes on to say that modernization of the countryside requires different approaches to financing its welfare requirements. Special countryside development funds are being set up in a number of oblasts and republics and this deserves all-round support. Evidently a fund like that should be set up at the level of the Union, too, Senko says. He goes on to claim that one-sixth of the country's collective and state farms performs poorly. They have at their disposal one-fifth of arable land but produce only 10 percent of the gross output. Such farms need special support to ease their entry into the market economy, but the government has no wish to set the new forms of running the agriculture off against the old ones, nor will the farms that have performed well so far be forced to adopt new economic methods against their will, as some economists seem to suggest, Senko says. The interests of each individual worker and his collective

as a whole must be taken into account during privatization, requiring an even-handed approach. A mechanism of economic protection of farms must be worked out for the period of entering the market relations. "More than 2 billion rubles-worth of capital investments failed to be assimilated in food producing sectors during the past 5-year plan," he says. Plans to hand over storage and processing facilities for use failed to be met. It is intended to bring scientific potential fully into play to ensure adequate technological provision for the countryside and this includes the potential of the defense industry, Senko states.

Associations are to be set up under the Ministry of Agriculture and Food which, together with republican bodies and industrial enterprises, will coordinate orders from rural areas for new technology and equipment, Senko asserts. The USSR Cabinet of Ministers has also set out measures to transfer the supply functions currently carried out by the USSR Gossnab to The Ministry of Agriculture and Food.

The government attaches great importance to broadening the activities of the consumer cooperatives in procuring and marketing agricultural production, and measures have been defined for transferring a certain number of shops to consumer unions on a leasehold basis. Central organizations and republican bodies of management must give support to the cooperatives in improving material-technical supplies, he says.

Senko goes on to state that agricultural science must make its contribution to solving the academies, too. Funds are being sought to finance research and design work in this direction. Scientific cooperation with other countries is being extended and more use is to be made of their experience in creating new machinery and progressive technology.

Senko concludes his speech by urging everyone in the country to turn their efforts and capabilities toward improving the economic situation in the country and in agriculture in particular.

Gorbachev Urged To Exercise Power

LD2503172191 Moscow TASS in English 1644 GMT 25 Mar 91

[By TASS legislative correspondent Vladimir Isachenkov]

[Text] Moscow March 25 TASS,—The "Soyuz" deputy group, which supports preserving the Union, has called on President Mikhail Gorbachev to report at an extraordinary congress of USSR people's deputies on the situation in the country and his activity as Soviet president.

The Coordination Council said in a statement, read out at today's session of the USSR Supreme Soviet by Deputy Anatoliy Kryshkin, that the president "does not use the powers, granted to him by the Supreme Soviet, to take the country out of crisis."

The statement also notes that "the draft Union treaty, agreed upon in the Federation Council and published on his behalf, runs counter to the results of the nationwide referendum and the USSR Constitution".

"On March 17 people voted for preserving the USSR, but forces, working to disintegrate our multinational state, are still at work," the document stresses.

The Coordination Council urged the Supreme Soviet to convene an extraordinary congress of USSR people's deputies, where the president will set out "his programme, in accordance with the course of the country's development chosen by people at the referendum."

Price Reform, Compensation Debated

LD2503155591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1400 GMT 25 Mar 91

[Report by correspondent Marina Novitskaya from the Kremlin]

[Excerpt] [passage omitted] Following the debates on Senko's report at today's USSR Supreme Soviet session, Vladimir Ivanovich Rybakov spoke on the retail price reform and the system of compensation.

At the evening session, the Supreme Soviet began to discuss another decision. Its title is: The implementation of the retail price reform and measures for the social protection of the population. Presenting this document, Deputy Zhuravlev said: We are ever more concerned about the organization of supplies and prices. The republics are failing to fulfil their pledges to set up various funds, such as, for example, funds for the social maintenance of the population.

In these circumstances, six commissions of the Supreme Soviet proposed that a special decision be adopted. So, what does this document suggest: Above all, that the decisions agreed on by the republics be relentlessly implemented. It is proposed that if enterprises, establishments, organizations, and republican and local organs of power establish prices exceeding the imposed limits, then the Cabinet of Ministers can adopt a decision to abolish them. Moreover, the additional earnings obtained from illegally raising state retail prices will be confiscated from the enterprise and local authorities. They can even be fined in accordance with legislation.

In addition, it was suggested that the Cabinet of Ministers and governments of the republics revise before 5 April the amount of resources which republics must transfer to the single Union republican fund for the social maintenance of the population, taking into account the spheres of application agreed in advance. This decision was adopted. However, the discussion has not yet finished.

Miners' Strikes Examined

LD2503185091 Moscow TASS in English 1803 GMT 25 Mar 91

[By TASS legislative correspondents Boris Zverev and Ivan Ivanov]

[Text] Moscow March 25 TASS— The wave of miners' strikes and rising tensions in the USSR have posed a question before the Soviet parliament: isn't it time to invoke the right to suspend them for two months?

A draft resolution, submitted for consideration by members of the Supreme Soviet tonight, instructs the Soviet Government to immediately consider a package of economic and social demands of regional strike committees, together with the representatives of miners' collectives. The deputies made it clear that miners' political demands cannot become the subject of talks.

In a subsequent discussion on the draft resolution, Soviet Justice Minister Sergey Lushchikov proposed to extend the action of the resolution by another two months to cover all branches of the industry, including state-owned and other enterprises.

Debates showed that the draft needs to be revised. It was decided to postpone the issue until Tuesday.

Today the parliament endorsed a resolution on retail price reform and social protection measures, instructing the Soviet Government and the executive to strictly follow, in their practical activity, the agreements on pursuing general policy in the field of pricing, and to ensure strict compliance with the decisions agreed upon by republics.

The parliament endorsed the appointment of Valeriy Paulman as minister of labour and social matters, a former representative of the USSR Planning Committee in Cuba.

Proposed Mining Draft Critiqued 22 Mar

PM2603091991 Moscow IZVESTIYA in Russian 23 Mar 91 Union Edition p 2

[Report by legislative correspondents A. Stepovoy and S. Chugayev: "Political Sagacity Needed"]

[Excerpt] The Kremlin—[passage omitted] However, discussion about the economic situation [at the 21 March session of the USSR Supreme Soviet] did not end at this point. Embarking on discussion of the USSR Supreme Soviet draft resolution "On the Miners' Strikes," deputies asked USSR First Deputy Prime Minister V. Doguzhiyev, who was present at the sittings, to give his assessment of the situation prevailing in the coal-mining regions.

Doguzhiyev began by stating that, in his opinion, the proposed draft misses the main point. It deals only with the miners, whereas the country's basic problem is that resources have shrunk because we now work worse and produce less.

We have lost too much output at rallies and in strikes, he opined. In the first 3 months of this year 3 million tonnes of metal have been lost in the metallurgical industry. This loss cannot be made up this year. The government does not have the money. And the USSR Supreme Soviet should require that republic parliaments adopt no more social programs involving expenditure. The task must, Doguzhiyev thinks, be seen as a whole, and the situation in the entire national economy be dealt with. It is essential that increased wages be related to increased labor efficiency here.

However, the majority of deputies did not share the USSR first deputy prime minister's opinion that the proposed draft resolution was valueless. And it was adopted after brief debate.

The final resolution adopted by the USSR Supreme Soviet that day was the result of a deputy's question submitted by Deputy V. Rogazhina the previous day.

V. Doguzhiyev again responded to the question. Here the dismay caused to many deputies by the USSR first deputy prime minister's excessively harsh manner of conduct in the the country's supreme legislative organ should, we think, be noted. Eventually, after the speaker retorted that he had wasted two hours in the Supreme Soviet, Chairman A. Lukyanov was forced to remind the government member that time spent in parliament could not be regarded as wasted.

Doguzhiyev reported to deputies on the government's behalf that a group of members of the Democratic Russia movement's coordinating council had applied to the Moscow City Soviet Executive Committee [Gorispolkom] to hold a demonstration and rally on Manege Square on 28 March, the day of the opening of the extraordinary Third Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies. The basic theme of these events is "Russia needs its own president and democratic constitution." The estimated number of participants is 500,000. According to available information, it is also planned to form a human chain around the Kremlin and a human corridor along the route that the Russian people's deputies will take from their hotel to the Kremlin. At the same time the Moscow Gorispolkom has received applications from public organizations and labor collectives (the speaker did not specify which) to hold rallies that day, with roughly the same number of participants, but devoted to other themes.

The government, Doguzhiyev stated, considers that it is not advisable to hold any events whatsoever on 28 March, particularly in the city center. This is owing to a number of factors. The first is that it is planned to hold the rallies during working hours. Moreover, the holding of two rallies involving many thousands of people at the same time will create an explosive atmosphere with

unpredictable consequences. There has also been a request to the USSR President and the prime minister from RSFSR Supreme Soviet deputies that provision be made regarding their personal safety.

All the aforementioned is, in the government's opinion, in accordance with the provision of the USSR Supreme Soviet Presidium's Decree "On the Procedure for Organizing and Holding Meetings, Rallies, Street Processions, and Demonstrations in the USSR," allowing for mass events to be banned if they threaten public order and citizens' safety. Ensuring order at rallies, moreover, diverts law-enforcement agencies from crime-fighting and requires large material outlay.

The USSR Government, the country's first deputy prime minister said in conclusion, deems it advisable to require the Moscow Gorispolkom not to authorize any organizations to hold rallies and demonstrations in Moscow on 28 March. Such mass events should be held on nonworking days. To instruct the Moscow City Soviet and the Council of Ministers to create normal conditions for the work of the USSR Supreme Soviet session and the Congress of RSFSR People's Deputies and ensure reliable order and safety for citizens, including USSR and RSFSR people's deputies. Such a decision should, in the government's opinion, be drawn up in the form of a USSR Supreme Soviet resolution.

After a short discussion the text of the resolution was passed by a majority vote.

Answering a question from one deputy about what would happen if rally organizers nevertheless decided to go ahead despite the ban, A. Lukyanov drew attention to that part of the resolution saying that the USSR Cabinet of Ministers is charged to do everything necessary to ensure reliable public order.

At the end of the sitting Deputy S. Shuvalov called on his colleagues to adopt a USSR Supreme Soviet Appeal To All Republic Parliaments To Introduce Moratoriums on Rallies and Strikes. It was resolved to discuss the text of the appeal at the next joint sitting, which takes place on 25 March.

Referendum Results, Miners' Issues Debated

PM2503152691 Moscow IZVESTIYA in Russian 22 Mar 91 Union Edition p 3

[Parliamentary correspondents A. Stepovoy and S. Chugayev report from the Kremlin: "What the Referendum Showed"]

[Text] The 21 March morning sitting of the USSR Supreme Soviet session opened with congratulations from A. Lukyanov to deputies representing the Central Asian and Azerbaijan republics. Today is a national holiday there—Navruz. At the same time, the chairman expressed regret that the vast quantity of work which the parliament was obliged to tackle prevented those deputies from being absent from the session.

As planned earlier, it was proposed that the deputies discuss the preliminary results of the nationwide ballot. V. Orlov, chairman of the Central Commission for the USSR Referendum, delivered a report on this. In particular, he informed the session participants that in the country as a whole 184 million people were entered on the electoral register (compared with 192 million voters who registered for the 1989 elections). Of these, 80 percent participated in the ballot and the vast majority said "yes" to a renewed Union. V. Orlov announced the preliminary results of the referendum for each republic (exact figures will be issued upon receipt of the official protocols). The Ukraine saw an 83 percent turnout with 70 percent of voters saying "yes." Belorussia, likewise, saw an 83 percent turnout, with the same percentage supporting the Union. The figures in Uzbekistan were 95 percent and 93.7 percent respectively; in Kazakhstan—89 percent and 94 percent; in Azerbaijan—75 percent and 93 percent; in Kirghizia—93 percent and 94.5 percent; in Tajikistan—94 percent and 96 percent; in Turkestan—97.7 percent and 98 percent.

Turnout was high among inhabitants of the autonomous republics participating in the ballot, with the exception of the Nakhichevan Autonomous Soviet Socialist Republic [ASSR], the Chechen-Ingush ASSR, and the Abkhaz ASSR. Some 50,000 voters from South Ossetia voted in Georgia, 500,000 people voted in Latvia, over 600,000 in Lithuania, over 800,000 in Moldova, and over 250,000 in Estonia. In Armenia, in Spitak, approximately 5,000 construction workers voted. The vast majority of them supported the Union. In the country as a whole, according to preliminary statistics, 76 percent of citizens who participated in the referendum voted for a renewed Union.

V. Orlov also cited violations of the USSR Constitution, the country's laws, and USSR Supreme Soviet resolutions in republics where obstacles had been placed in the way of the free expression of the people's will. He expressed the opinion that the referendum results should become a matter for analysis by the country's Cabinet of Ministers insofar as during the ballot many suggestions had emerged for strengthening economic links and labor and production discipline.

In response to Deputy V. Yudin's question on whether there are regions which on the whole replied negatively to the question on the ballot paper, V. Orlov announced that only 50.02 percent of those who voted in Moscow returned a "yes," and in Leningrad this figure was 50.5 percent. Negative results were recorded in Kiev, Sverdlovsk, and Sverdlovsk Oblast.

The predominant theme of the following debates was the need to increase the activeness of the authorities and to reinforce order and discipline, as the speakers believed the referendum results to be an indication of the people's confidence in the country's leadership. Thus, in Deputy G. Fomenko's opinion, the present complex situation is the result of indecisive action on the part of the USSR president and the Union parliament. Deputy Ye.

Nemtsev called upon M. Gorbachev to take resolute action or resign, "since the people have had their say."

More than 20 individuals registered to take part in the debate. Eleven managed to speak before the first break. At that point, the debate was brought to a halt. At the very end of the morning session the chairman, A. Lukyanov, read out a deputies' question from Deputies S. Ryabchenko and Yu. Shcherbak to L. Kravchenko, president of the state television company. The question spoke of the unacceptability of allowing personal opinion to dictate the place and role of journalists in television. The deputies ask why leading TSN journalists Mitkova, Kiselev, and Rostov were deprived of their right to work. The Supreme Soviet decided to pass the question over to Kravchenko....

Four hours of the 20 March plenary session were devoted to discussing each article of the draft Law on the USSR Cabinet of Ministers. The discussion's unhurried pace can be explained by the deputies' truly attentive and scrupulous evaluation of each clause in this document. Numerous amendments and additions were put to the vote on repeated occasions, but in the end almost all were voted down.

Having deprived the USSR Cabinet of Ministers of the right to legislative initiative at the previous session, the Supreme Soviet was now most adamant not to accord another "privilege." The Union parliament voted against granting Cabinet members parliamentary immunity either with the consent of the country's president or even that of the Supreme Soviet itself.

Next, the session participants adopted a resolution on the procedure for enforcing the Law on the USSR Cabinet of Ministers.

And "hot on the heels" of adopting this law the session set about approving new members of the Cabinet. Parliamentary approval was readily given to confirm 50-year-old Igor Prostyakov, formerly first deputy chairman of the Bureau for Social Development of the former USSR Council of Ministers, as USSR Cabinet of Ministers administrator of affairs with the rank of USSR Minister.

However, there was renewed hesitation over confirming K. Terekh as USSR trade minister. Once again, various opinions and viewpoints emerged regarding the need for such a department in the Cabinet structure.

At the beginning of the evening session, opening with a short speech by the USSR prime minister asking deputies to support the proposed candidacy and keep the Trade Ministry in the Cabinet structure for a transitional period, Supreme Soviet members voted to agree to the president's proposal to appoint K. Terekh USSR trade minister.

But then talk at the session turned to a fairly sensitive problem: How legislative acts adopted by parliament are brought into operation. In this case, the USSR Law "On Social Associations." The discussion was prompted by Deputy Yu. Koltsov's well publicized question to the USSR minister of justice on how far the registration of the CPSU is legitimate given that, according to several media sources, a number of leading members of that party have been involved in anticonstitutional activity aimed at overthrowing the legally elected governments of the Baltic regions at the beginning of this year.

S. Lushchikov, USSR minister of justice, addressed the deputies to explain the issues that had arisen.

He stressed that up to now the CPSU had not submitted documents for registration officially. Therefore, there are no grounds to speak of any kind of pressure on his department. G. [initial as published] Lushchikov informed the deputies that, at the present time, appeals by representatives of 635 public associations have been received by the Ministry of Justice. Right now, over 120 documents from such organizations are in processing—being prepared for registration. Today, 22 such social associations are registered at the ministry. A further 12 social associations, including the Komsomol, are due for registration 22 March.

The minister's explanations did not completely satisfy Deputy Yu. Koltsov. As a result, the session participants tasked the USSR Supreme Soviet Legislative Committee with hearing a report by the minister of justice on progress in implementing the Law on Social Associations.

Next, Deputy V. Rozhin stepped up onto the session platform to read out the text of an extraordinary parliamentary question on behalf of a group of deputies.

The document states that of late various extremist citizens, various political parties, and other social organizations have issued appeals aimed at overthrowing constitutionally elected organs of power. Gross pressure is being exerted on the body of deputies. Especially those of the USSR and RSFSR. Cases of individual USSR and RSFSR people's deputies being subjected to insults and threats of physical injury toward themselves and their families are increasingly common.

The authors submitted a question to the Cabinet of Ministers on what the government intends to do to ensure the deputies' safety and normal working conditions for both the USSR's and the RSFSR's highest organs of power.

A. Lukyanov told the session participants that he will pass the question over to the government without delay so that it can be answered within three days.

Next, on the chairman's initiative, the deputies turned their attention to improving the efficiency of parliament itself. I. Laptev, chairman of the Soviet of the Union, reported on the results of work to reorganize the USSR Supreme Soviet committees and commissions. Its main aim was to involve a maximum number of members of

the country's Supreme Soviet in the work of the committees and commissions. The deputies approved the definitive list of Supreme Soviet committees and standing commissions submitted by him . Henceforth there will be 20 committees working in the parliament and two commissions in each chamber. The names and functions of a number of the committees have been changed. Thus, the USSR Supreme Soviet Committee for the All-Union Consumer Market and the Committee for Culture have been formed. The Committee for Legislation and the Committee for Questions of Law and Order and the Struggle Against Crime have been transformed into the Committee for Legislation and Law and Order. To a large extent, these changes were carried out with due respect for the provisions of the draft of the new Union Treaty. I. Laptev announced that the names of the committee and commission members will be decided soon.

That day, the deputies' work was extended for an hour. Not surprisingly. After all, the session ended with one of the most serious problems affecting the country today: The events in the mining regions.

A. Tsigelnikov asked to speak first.

He reminded his colleagues that the miners' strikes of summer 1989 had not ended but was merely suspended as a result of the government's adoption of Resolution 608. Today, 49 mines, three opencuts, and 12 of the 101 coal enterprises in the Kuzbass are on strike, A. Tsigelnikov said. Basically, the strikers are demanding that the USSR president resign, the USSR Congress of People's Deputies be dissolved, and the Union Treaty be concluded without delay, with power functions being transferred to the Federation Council. In addition, they are demanding that the Russian government be granted Central Television's second channel and a channel on All-Union Radio for the work of Russian state media.

A. Tselnikov proposed to his colleagues that USSR president be called upon to speak on television and enumerate the concrete measures he intends to carry out. He also submitted a proposal to invite representatives from the city workers' committees in the mining regions to Moscow for discussions on all questions pertaining to a settlement of the conflict, and to set up several deputies' groups in the USSR Supreme Soviet to travel to the coal producing regions to try and find ways of achieving compromise on the spot.

Then A Lukyanov introduced to the deputies A. Malykhin, member of the Kuzbass Council of Workers' Committees, who has been on political hunger strike for eight days. He read an appeal by representatives of workers' strike committees and independent miners' trade unions to the citizens and working people of the country.

Our country, the appeal states, is in the midst of economic collapse. The burden carried today by our nearest and dearest, our wives, our children, and ourselves can only increase tomorrow. Famine is at the door. The appeal's authors consider that the USSR president, government, and Congress of People's Deputies have proved incapable of properly exploiting the country's rich resources and implementing necessary political and economic reforms. The country's highest leadership remains subordinate to the CPSU Central Committee and Politburo. Therefore, all initiatives from above are reliable on one count only—preserving real power for the party and state nomenklatura. Neither the president nor the deputies from the CPSU and other social organizations represented at the Congress were elected by the people and they do not enjoy their confidence. The way out of this impasse lies in consolidating society's healthy forces and electing a government which enjoys the people's confidence. In these conditions, the Interregional Coordination Council of Workers' Strike Committees was created in Moscow 18 March comprising authorized representatives from the country's coal regions. The council considers that the demands expressed at two mining congresses and during the recent strikes boil down to one thing: The resignation of the USSR president and government and the dissolution of the Congress of USSR People's Deputies, and the transfer of the highest authority to the Federation Council and the republics' parliaments and governments. Economic demands have also been put forward—namely, a call for a general wage rate agreement defining just labor and pay conditions to be concluded in the coal industry and other sectors. The council calls on all citizens of the country who aspire to freedom and democracy to support the striking miners.

A. Malykhin concluded: "Seven of us decided to support our demands with a political hunger strike. This will continue as long as we still have strength and wits." He called upon the deputies to settle the problem without resorting to laws "that do not allow us to live humanely and according to our conscience."

The predominant theme of the debates following these speeches was rejection of the strike as a form of pressure. Practically all the speakers acknowledged the miners' difficult position. However, many stressed that workers in many other sectors of the national economy are no better off. Appealing to the miners to listen to reason, the deputies noted that to exacerbate the country's political atmosphere may ultimately play into the hands of reactionary forces. In this vein, Deputy P. Osipov expressed the view that right now the strikes are advantageous only to the party's extreme reactionary forces. In his turn, Deputy V. Lushnikov—a miner from Vorkuta—accused KOMSOMOLSKAYA PRAVDA, [Democratic Party of Russia leader] N. Travkin, and the People's Labor Alliance of aggravating passions in the Pechorskiy Coal Field. Deputy Yu. Golik expressed certainty that the collapse of the coal industry will create additional difficulties for the future president of Russia. In the final analysis, all speakers were agreed that only constitutional means are permissible in the political struggle. V. Kucherenko, G. Lezhenko, T. Pupkevich, V. Foteyev and others also participated in the debates.

Finally, it was decided that the attitude of the country's parliament toward the miners strikes would be reflected in a USSR Supreme Soviet resolution, to be discussed by deputies at the 21 March session.

Committee Meets on Regulating Glasnost

LD2103212191

[Editorial Report] Moscow All-Union Radio Mayak Network in Russian at 1800 GMT on 21 March broadcasts a 4-minute report by correspondent Marina Novitskaya on the sitting of the Committees for Glasnost, Citizens Rights and Appeals of the USSR Supreme Soviet, the Supreme Soviets of the Union and Autonomous Republics, and Representatives of the Kray and Oblast Soviets, in the Kremlin on 21 March.

Novitskaya opens the report by saying that the deputies want to discuss the present situation with glasnost to define what exactly this is meant to be and what legislative acts should regulate it and notes that the meeting will last three days. She interviews Nikolay Mikhailovich "(Spis)", one of the participants in the seminar and a member of the Commission for Glasnost of the Ukrainian Supreme Soviet, who gives his first impressions on the work of the session and talks about the work his commission is doing on regulating glasnost and developing laws on the media. A second interviewee, Adam Semenovich "(Vashkov)", chairman of the Rechitsa city soviet, comments on the usefulness of such contacts between the union and the republican commissions for glasnost and hopes for better coordination between the center and the local government.

At 1804 GMT, the report ends.

Civic Accord Organization Formed

LD2403054391

[Editorial Report] Moscow Domestic Service in Russian at 2230 GMT on 23 March carries a three-minute bulletin, "Legislative Five Minutes Slot" in which correspondent Kirill Shakhnovich reports on the Civic Accord organization which has been set up in the USSR Supreme Soviet. Shakhnovich interviews one of the organization's founders, Georgiy Valentinovich (Morozov), who represents a group of independent scientists. (Morozov) talks about contacts between parties and movements, saying that they have various forms, including the form of round tables with various organizations taking part in them and speeches to specific work kollektivs. The aim of the organization is to prevent unreasonable debates taking place, to settle conflicts, and make sure that political discussions are efficient and businesslike, says (Morozov). The Supreme Soviet takes into account proposals and conclusions of the organization, he says.

Political & Social

One-Hour 'Political Strike' Called For

LD2503231491 Moscow Radio Rossii Network in Russian 2000 GMT 25 Mar 91

[Text] The Leningrad City Soviet, representatives of the Democratic Russia Movement, and the City Committee of the Movement of Civil Resistance are calling for a one-hour political strike in support of Yeltsin's demands for Gorbachev's resignation and in support of the striking miners. The action is to take place tomorrow from 1200 to 1300 Moscow time. [0900-1100 GMT] The contact telephone in Leningrad is 251-21-98.

Moscow Soviet Deputies Continue Hunger Strike

LD2503232991 Moscow Radio Rossii Network in Russian 2000 GMT 25 Mar 91

[Text] Eleven deputies of the Mossoviet [Moscow Soviet] Committee for Legality and Public Order, headed by chairman Sedykh-Bondarenko, are continuing their political strike, begun 20 March, in order to draw the public's attention to the unwillingness of Internal Affairs Minister Pugo to carry out the Mossovet session decision to appoint General Komissarov head of the Moscow City Executive Committee's Internal Affairs Department.

Of what kind of law-governed state can we speak if the law enforcement bodies set an example to citizens about how the law can be left unfulfilled?

Final Results of Union Referendum Announced

LD2603113891 Moscow TASS International Service in Russian 1047 GMT 26 Mar 91

[By TASS correspondent Boris Zverev]

[Text] Moscow, 26 Mar (TASS)—Speaking here today, chairman of the Soviet legislature Anatoliy Lukyanov declared the need "to do everything that can be done to conclude a new Union treaty as soon as possible." He considers that all state bodies and above all the USSR Supreme Soviet are committed to this by the results of the referendum on the destiny of the Union held on 17 March.

Anatoliy Lukyanov spoke at a meeting of the USSR Central Referendum Commission held today which summed up the final results of the nationwide vote. He underlined the "exceptional importance" of the fact that "a majority of the country's adult population came out in favor of preserving a renewed Union of equal and sovereign republics".

In the view of the legislature's chairman, it is also important "to restore as soon as possible the country's damaged economic links, to establish dialogue with all social forces, and to enhance the consolidation of society." He made a call for the path of forming an all-Union

market, which "would be the main centripetal factor for pulling together our renewed federation."

The final results for the referendum were announced at the meeting. Inter alia, the commission established that for the country as a whole the list of citizens entitled to vote numbered 185,647,355 people. Those who took part in the vote numbered 148,574,606—which is 80 percent. Of these, 113,519,812 people—or 76.4 percent—gave a positive answer to the referendum question. A negative answer was given by 32,303,977 people—or 21.7 percent. There were 2,757,817 voting papers—or 1.9 percent—which were declared invalid.

Ivashko on Referendum Results, Price Reform

PM2503113091 Rome LA REPUBBLICA in Italian 22 Mar 91 p 15

[Interview with Vladimir Ivashko, deputy general secretary of the CPSU, by Enrico Franceschini; place and date not given]

[Excerpt] Moscow—[passage omitted] [Franceschini] Vladimir Antonovich, does the referendum resolve all the USSR's problems?

[Ivashko] It does not resolve them, nor was this its task. But, for the first time in this country's history, in an extremely serious and tense socioeconomic situation, our leadership has had the courage to face the people's response. Nobody was afraid of the people's decisions. And this courage has been rewarded with a result that reassures us: The people have expressed a clear verdict in favor of maintaining the Soviet Union.

[Franceschini] The "people" also include the approximately 30 million who voted against the Union.

[Ivashko] True, there was a substantial proportion of votes against. But I am sure that the percentage in favor of national unity would have been much higher if the country's economic situation had been better. It is no secret that our economy is in a state of crisis. Particularly in the major cities, there is a worrying shortage of food products and basic commodities. I am personally acquainted with many people who voted "no" not so much in order to oppose national unity as to express dissatisfaction. The "no's" are, at least in part, protest votes against insufficiently active and vigorous action, a protest against the failure to resolve the crisis.

[Franceschini] Be that as it may, the "yeses" prevailed. Is this a victory for your party, too?

[Ivashko] It would be irresponsible to dismiss the vote as a contraposition between political forces. I would like to point out that at the CPSU Central Committee Plenum in January we stressed that for communists the people's interests must take precedence over party interests. Having said that, the CPSU has definitely fought to defend national unity, and we are pleased that our work has contributed to a positive result.

[Franceschini] The Union won in nine Soviet republics. The other six, however, boycotted the vote and are still fighting for secession.

[Ivashko] We shall see. Let us take the case of Armenia—one of the six separatist republics. It did not hold a referendum, but we know from our private opinion polls that 70-80 percent of the Armenian population are in favor of staying in the Soviet Union. Unfortunately the political leaders were afraid of asking the people to express themselves freely; but the majority are for national unity. I believe that time will have to pass; it will take negotiations and patience, but I am confident that matters will be resolved sooner or later.

[Franceschini] Even in the Baltic republics, where three independent referendums, held before 17 March, revealed a 70-75 percent majority for secession from the USSR?

[Ivashko] In the Baltics, or Georgia, the situation is more complex. But even the three Baltic republics are even now in favor of economic union with the USSR. Economic necessities reveal the need to meet each other part way, to establish common ground. This will make itself felt in all the separatist republics. Having lived in the USSR for decades, it is not easy to wake up one morning and say: Now I am in another country.

[Franceschini] You are a Ukrainian: Your home republic approved of the union, but with some very high levels of dissent. In the Ukrainian capital, Kiev, the "no's" were in a majority. Is this not a sign of destabilization for the future of the USSR?

[Ivashko] No. The Ukraine is no exception to the argument about the economic ties—over and above the political ties—that keep us united. Moreover, Kiev, however important, has 3 million inhabitants: The Ukraine has 52 million, and the republic as a whole opted for national unity.

[Franceschini] Some people are afraid that the 2 April "sting," the price increases decreed by Gorbachev, will further exacerbate the crisis.

[Ivashko] The price increases are just one element in the creation of a market economy in the USSR. It is a necessary stage. Of course it will not elicit any applause, though 85 percent of the price hikes will be compensated for by the state with pay rises and other measures.

[Franceschini] Yeltsin's radicals argue that the market economy could have been established through their rapid reform plan in 500 days, starting to privatize the economy and increase prices only at a later stage. But Gorbachev rejected it. One Soviet newspaper has revealed that it was the party itself, at a seret nighttime meeting of the Politburo in October, that persuaded the president to change his mind...

[Ivashko] As I said, the situation is serious, but we have not yet reached the point where the Politburo has to meet at night. The radicals' 500-day plan was not

rejected because of the Communist Party's ideological opposition. The economist, Fedorov, who is no communist, wrote a fine article a few days ago to demonstrate that the transition to a market economy is possible in 500 weeks, not 500 days. I basically agree. Unfortunately there are many people in the USSR who are prepared to destroy everything for political ambitions, whereas the wise leader must first build, create the new, and then bring down the old system. The reforms will go ahead—partly thanks to the referendum—under the impetus of the centrism that Gorbachev has clearly expressed in recent months, without veering to the right or left.

Kryuchkov Urges Preserving Renewed Union

PM2503173591 Moscow IAN PRESS RELEASE in English 14 Mar 91

[IAN interview with Vladimir Kryuchkov, chairman of the USSR KGB; place and date not given; first paragraph is editorial introduction: "KGB Chief on the 17 March Referendum"]

[Text] Vladimir Kryuchkov is the Chairman of the State Security Committee (KGB) of the USSR. He talks here to Novosti [IAN] about the forthcoming referendum to decide the way forward for the Soviet Union.

[IAN] The fewer the days that remain before the referendum on the future of the USSR, the higher the political passions that run in our society. How is your department preparing for March 17?

[Kryuchkov] A referendum is a social and political event. It presupposes a free expression of will by Soviet people with different views. The State Security Committee is not a party nor a social organisation. In this context it would be inappropriate to speak of the KGB preparing for the referendum.

At the same time, staff of the state security bodies are also Soviet citizens. What distinguishes them is perhaps their professional, service-motivated and hence enhanced civic responsibility for the future of the Soviet Union.

They have never stood, nor can they stand now, aloof from developments when the fate of the country is soon to be decided. Naturally, KGB staff will take an interested part in the forthcoming referendum.

[IAN] State security bodies, as far as I know, have rigid discipline. Is it not possible that your personnel will vote as they are told from above?

[Kryuchkov] This is a mistaken idea. State security bodies are a highly creative organisation. Our collectives often discuss in a lively and sometimes turbulent manner the future of the Union. Different opinions and views are voiced.

But the keynote of all discussions is always concern for how to preserve the Union, how to renew it, how to find the least painful way out of the economic, political and ideological crisis for the Soviet people.

The belief of the committee's staff that our state should be preserved as a Union was suggested by life itself, not by discipline or orders. In their daily work—whether it concerns domestic or external problems—security men see, and perhaps feel more poignantly than others, that no national-territorial formation of our vast country would have a normal life and happiness singly, without making common efforts within the framework of a renewed Union.

[IAN] Do you personally subscribe to this view?

[Kryuchkov] There is no doubt about it. I believe that even in common sense terms we will simply not survive within new frontiers, faced by the economic chaos in which we have found ourselves. There are, moreover, serious economic calculations that confirm this simply thought numerically.

Here is an argument from an area that is closer to me:

You know, of course, that our department is now busy combating organised crime. Now, we have come to see that borders between states stand very much in the way of such work. To overcome that, the USSR has joined Interpol, but the frontier issues still remain. So why create additional ones?

[IAN] What is your attitude to those who refuse to support the idea of preserving the Union in any form whatever?

[Kryuchkov] The political profile of those who see a cure for all evils in the dismemberment of the Union is far from uniform. I think some of them have simply lost their bearings in an information stream of numerous publications that have appeared in this country lately.

Quite a few writers have learned to win over their readership and claim a monopoly on truth. That, unfortunately, prevents one from seeing the author's far from innocuous position behind an effective turn of phrase, or an appealing passage, to realise the kind of quagmire it leads to, and to be able to formulate one's own attitude to it.

This is also typical of the referendum issue. A lot of florid words have been used to present matters as if the referendum concerns only trust in the present centre and the retention of the administrative-bureaucratic system.

The issue however is precisely the preservation of the Union, of our power, no more and no less. It was only the Union, the friendship of our peoples, that has saved us from mortal danger in the past, during the Great Patriotic War, for example.

People who will not have voted, whatever the outcome of the referendum, will be at a disadvantage psychologically and politically. If we preserve the Union, this will offer a sure prospect for normal life in the country. And it is

important for each person to have the moral right to declare that he has also done his bit.

[IAN] If the referendum votes for the integrity of the Union, will that bring closer the adoption of a Law on State Security Bodies in the USSR in some way?

[Kryuchkov] Although these two processes are not directly related to each other, it will, I am certain. I think clarity on our state structure will show the way to resolving many other problems, will strengthen deputies' confidence and working mood, which will add dynamism to law drafting, making it more constructive. This will also refer to the Draft Law on State Security Bodies, already approved in its first reading.

Gorbachev-Yeltsin Confrontation in 'New Spiral'

PM2203122891 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Mar 91 p 1

[A. Pankratov article: "How Can the Referendum Results Be Used?"]

[Excerpt] [passage omitted] Whether we like it or not, after the referendum the Gorbachev-Yeltsin confrontation has entered a new spiral. The opportunities for legislative maneuvering and for playing a "simultaneous game" are virtually exhausted. Having received a "yes" from the voters, both leaders move up to the "heavyweight" class. Only the "yes" for Gorbachev still has to be given some kind of legal form, while the "yes" for Yeltsin is basically the first stage in the forthcoming election contest for the Russian presidency.

This substantial change in the political balance can probably only exacerbate the overall crisis: The republics, including former autonomous formations, will doubtless continue to go their own way; the workers' movement has broken out of control; the price reform, with symbolic compensation payments, is impending.

Whatever the dispostion of forces, the objective course of history cannot be changed by the public opinion of the current moment. But the present Union leadership, in receiving a "yes," has—for all the conditional legal points—received the right to further reforms. And not only reforms of the system, which is still withstanding every blow, but of society as a whole. What direction will this renewal take? Unless the system is destroyed, will there not be a temptation, in the best traditions, once again to steer society into it? After all, a big autocracy will never tolerate small autocracies. It will be forced, in obedience to its own choice and its own vision of the future, to respond with drastic moves.

All these "sandbanks" that lurk beneath the struggle over the referendum would not really matter to the rapid torrent flowing on the surface, the political life of the majority of the population. Were it not for the battle that has broken out on right and left over the exploitation of the results of the referendum.

Be that as it may, Sunday's vote has now dragged into this political battle all the people, who were previously observing the political strategists' maneuverings from the sidelines. After 17 March, every one of us must inevitably bear responsibility for what happens in the country. And that is also relevant to the question of making the referendum a matter of personalities. But we have voted now...

Union, Republic Glasnost Committees Meet

LD2103142191 Moscow All-Union Radio First Program Radio-1 Network in Russian 0900 GMT 21 Mar 91

[Report by correspondent Marina Novitskya]

[Text] Representatives of the glasnost committees of the Supreme Soviets of the Union and autonomous republics and of many oblast and kray soviets have gathered here. They were invited for the meeting by the Committee for Glasnost, Citizens' Rights, and Appeals.

Such joint work by the Union and local soviets is increasingly frequently becoming normal practice. There is undoubted benefit from this. In this case it is particularly so. After all, the law on the press came into effect quite recently, in August of last year. As has become clear, some of its norms are not effective, not because the law is bad, but because it has not been backed by republican legislation. This is so in its most important section—the one dealing with liability for the violation of the law.

What glasnost is in general was also discussed here. This is a wide concept and it must be regulated not just by the law on glasnost.

The law on citizens' right to information is no less and, in the view of many, even more important. In the Ukraine, for instance, it is already being drawn up.

Legislative acts are to be adopted on state secrets, on publishing, on archives, and on the regulation of the work of radio and television. The participants in the seminar will today visit Central Television, from where we will report to you. They will meet with the leaders of the All-Union Television and Radio Company and with the editors-in-chief.

Commission Set Up To Deal With Food Supplies

LD2503124491 Moscow Central Television First Program Network in Russian 1200 GMT 25 Mar 91

[From the "Television News Service" program]

[Text] A commission has been set up—on the instructions of the USSR president—under the chairmanship of [Fedor] Senko, a deputy prime minister of the country, for the efficient resolution of issues connected with the implementation of economic agreement between the Soviet Union and the Union republics on the supply of

foodstuffs and agricultural raw materials this year, and of the stable provision of the country's population with foodstuffs.

Pavlov Meets With Moscow Factory Workers

LD2303102191

[Editorial Report] Moscow Central Television First Program Network in Russian at 1600 GMT on 22 March relays a 119-minute question-and-answer program hosted by Viktor Prokofyevich Beketov at the Moscow ball-bearing plant. The guests include USSR Prime Minister Valentin Sergeyevich Pavlov; Aleksandr Vsevolodovich Nosov, member of the USSR State Committee for Labor and Social Problems; USSR First Deputy Finance Minister Vladimir Abramovich Rayevskiy; Aleksey Alekseyevich Krasnopivtsev, deputy chairman of the USSR State Committee on Prices; and Mikhail Yuliyevich Nakhmanovich, an official of the savings bank network. The questions are asked by factory workers.

Beketov opens the program and asks the panel members to answer questions from the workers. He says: "I would like to make use of my rights as moderator to put my first question to Valentin Sergeyevich Pavlov and ask: What would you, yourself, like to say to people before the specific questions begin? What causes most concern to the Union prime minister at the current stage of economic reform? Over to you, Valentin Sergeyevich."

Pavlov answers: "You know, if you talk about what causes me the most concern, it is that, unfortunately, mutual distrust and lack of mutual understanding has become the dominant mood in our country today. People have stopped trusting each other. They have, with increasing frequency, begun fearing each other. As a result of this, we have lost the calm, friendly and comradely tone in relations on the most elementary questions. This is spreading further and further into expanding areas of relations. What I see, and what I directly feel, is that in essence a process of creating artificial frontiers is going on day by day, first of all between people and then between regions. This cannot fail to lead to general misfortune. It is already resulting in direct misfortune in many regions.

"Whether we like it or not, a wedge is gradually emerging and is being driven between the town and the countryside, between various ethnic groups, between various levels of administration. This wedge, one way or another, today is leading to one thing—things are getting worse and worse for us. Living standards are worse. The moral atmosphere is worse. All of us are losing out in each other's eyes and in the eyes of the entire world community. Hence, attitudes towards us, there, too, are also altering accordingly. That is what causes me most concern today.

"In what specific ways is this manifested? I could cite tens of facts and examples here, but if we are to speak about it, then since we are at a factory today then, we simply often come up against this—a conveyor stops because products are not being dispatched. It is not as if there aren't any, they are simply not being dispatched; they are not being dispatched for artificial reasons.

"Why? In order to resolve their own tasks, to put forward their own demands. Things have got so bad that, for example, that the Chelyabinsk factory is demanding that its brother, the Makeyevka metallurgical factory, supply meat and milk in exchange for output. Where are metallurgical workers going to get meat and milk from? They don't know what they are going to do. The Ukraine is making one set of decisions, Russia is making different decisions. It might seem that people are reaching agreement at one level, but at another level all these decisions are disavowed. And, of course, output falls, unquestionably.

"I don't want to talk about food. You all know what the food situation in Moscow is like. After all, the reasons are quite elementary. Contracts for the delivery of meat and milk are not being honored, above all because those basic regions of the Russian Federation which traditionally supplied Moscow with food are refusing to do so. Again, we must ask what has happened. The harvest was brought in. The produce is available. Where has it gone? Well, it has either been consumed locally or it has been bartered for something else.

"The day before yesterday some people came to see me, although some say I don't meet them, that I don't want to meet them. That, probably, is a separate subject. But I do meet miners who are working, hold talks with them and try to resolve the questions which they raise. For example, I met with representatives of the Kuzbass. What are they saying? The food supply situation in the Kuzbass is exceptionally bad. In other words, there is quite simply nothing to eat—literally. Well, why not? Because they are not honoring their contracts to supply Stavropolye and Krasnodar, from where they are supposed to receive meat, milk, and bread. They told us that they have sufficient grain for three days. Baking could stop altogether, so to speak. As a result the union government finds itself obliged to deal here, there, and everywhere, with questions which are not really within its competence. But very frequently we are forced to work like a fire brigade, in the literal sense of these words.

"Since Moscow finds itself in such a situation , we find ourselves obliged to step in. But we can do this only for Moscow. We have joined forces, in a way, with the republican government and managed to find a way of supplying Moscow in some way, by arranging a timetable, by, let's say, taking over control and using the old methods, basically. From April onward, all these deliveries will be done this way. We think that we will be able to provide support, but we cannot do this throughout the counry as a whole. So, this is what worries me most.

"How, in general, to restore trust between people and between regions; how to restore the friendship and

mutual understanding that we did have, actually, not so long ago. I think we all had no idea at all, even, that it could so quickly turn into such—I should say—grapes of wrath. The more so since, in fact, there's no reason for it.

"And the second thing that, of course, worries me most of all today is the question of spring sowing. Because whether we like it or not, sowing has already begun. Now the Nowruz festial is upon us—this festival of spring was celebrated yesterday, in the south it is already, so to speak, today, and in Central Asia, down there in the south, the sowing is underway, practically, and so there the sowing has already become a reality, and I think if we don't manage to sow in good time, the consequences will be still more severe. And it has to be said that this year's spring sowing is really somewhat out of the ordinary. Well, you know what we finished up with last year, last fall. And so in the first place the matter is connected with the fact that a great deal of machinery broke down, because working in those conditions, you yourselves know how difficult it was. Secondly, a very large amount of the work simply remained undone. That was because it was impossible either to plow or to sow: there was nothing but water everywhere.

"So in principle the volume of spring field work compared with the usual average level, as it were, that must be carried out in our country is about 25 percent more. Now, judge for yourselves: what must be done to achieve this? In other words, we're talking about the need not only to prepare ourselves in advance, we've also got to display the highest discipline, first, and second, ensure that the seed and the fuel and the spare parts are made available for the sowing.

"So this is the problem which pushes all the others into the background, because this is a program for survival. To be honest, no one, not one country nor the whole world put together, can feed us. So if I speak frankly to you about the humanitarian help, this is very good, we thank the people who are helping the Land of the Soviets, but all this humanitarian help put together is enough for Moscow for five days.

"So in any case we must feed ourselves. If we are not able to do this, that means that the consequences will be very heavy. That is why this is the problem which I consider...it won't go out of my mind, day or night."

Beketov invites questions on prices. A question is asked on job cuts and what is planned to deal with the problem.

Pavlov says "I will try not to talk too much, but if I don't say enough about something, please ask a supplementary question. Why? Well, the first open talk of the reform of retail, wholesale, and procurement prices was somewhere about 1985, if you remember when this talk began. So when this talk started, it was the first time, one could say, that we started to state or recognize—according to whoever it was, so to speak—prices not as faits accomplis, but as a discussion of this question. And I must tell you quite frankly that I was yet again convinced of the fact that we were not ready for such an approach, and are still not ready now.

"Why? Because generally this debate has contributed a great deal to store counters being ravaged, especially in our major industrial centers. And I also think—and you will no doubt agree with me—that at any rate even if a person has a great conscience and so on it is very difficult for him to restrain himself from wanting to stock up with goods, if he is told every day that tomorrow they will cost twice as much.

"The experts have done various estimates. According to our estimates, the population possesses at present a stock of goods—I mean above the normal level—to the value of minimum 50 billion rubles [R]. Generally the experts agree in their estimate of somewhere about 100-120 billion. Ours is the most conservative estimate. I do not have to explain all the consequences of this situation: it is just sugar that is not perishable. Even sunflower oil—even if it is packed very well—can still deteriorate, let alone flour or groats, heaps of which are being bought up. You know yourselves what happenes to these goods. In addition, goods are being bought up for the purposes of profiteering on every scale. We know this too. Certain cases have been shown to you sometimes. But this has become a mass phenomenon. And in this respect we have not been very objective. Or perhaps, our approach to this matter has not been explained adequately to the people. But I would like to say something else.

"The beginning can be traced to 1985. And we began objectively and absolutely correctly by saying that there was the need to build a new economy and a new administrative system but that it was not possible to build it without transferring to a new system of price setting. That was said already then. And today we have reached the same conclusion. But what are the results? We have changed our approach three times. First we spoke about revising prices and then we turned sharply 180 degrees and began to say that no, comrades, retail prices must not be reformed until our shop counters are full. Let us fill shop counters first, as it were, and then we will reform prices. So, all will be clear, as it were. And including...I do not wish to name any names...I think since you have asked questions, you know them yourselves...the same people kept changing the policy. I believe, for example, that this was not in very good faith because I know these people, and I know that they understood very well what they were doing and what they were saying.

"But in this case, precisely, forgive me, but some people's knees started to shake. The measure is indeed unpopular, but what is to be said? It is completely clear, after all, and for that reason they retreated: let's actually try, it just might work. But what happened? Nothing happened. Today we have reached just one conclusion, anyone can understand it: can one really build an economy when we have to behave like this, selling something whose price in wages we put at R3, selling it for R1.5? Where are to get the other R1.5 from? "We

don't know any other way. There is no other way except to lower estimations of worth and to raise the norms of manufacture. That is the only way. But then sooner or later we were trundling along, and arrived at the point which you, working in different areas of production, have, I think, come up against several times already: that people don't want to work for the wages that go with the evaluation. This has become a mass phenomenon, and no one is asking: What is the wage? But how much will you pay? "That is the way the question is put. Do you think this is by chance? Is this a system for stimulating labor? So today we have all reached the position where our whole trade turnover is somewhere about 520 billion [units not stated]. Well, let's discard some 40-45 billion, which is what goes to things like schools, hospitals, and so on. Well, 480 billion is left. That's what we all buy as people. And the difference in prices which we meet in some way or another are, we calculate, this year, something like 225-228 billion. So add it up. It splits more or less half and half.

"So from this one can draw the conclusion that in all these conditions we artificially lower wages (?with this second half). Behind these lowered wages there stand a high profit norm, high taxes and so on. These taxes take way the profit, and then they are paid out in the shape of differences.

"But in the final result this system has no future, and in essence we are stifling incentives for production and labor. Why stifling, exactly? Because the more you work, the more you will be taxed. This system levelled everything out, in a pure form."

Beketov notes there are lots of written questions, but calls on a questioner who asks about social protection for veterans under the price reform. Beketov further asks why Gorbachev's workers control scheme is not operating.

Pavlov says: "I can of course try to answer this question in a general way, although it contains a whole group of questions. The first issue is that in our country, basically—and one needs to be frank about this—there are groups of the population which have been hard done by. This has to be admitted. They have been hard done by. This, as a rule, applies to various categories of the population who have, I would say, worked honestly and given of their best. Why? Because, as you know, up to now the entire system in our country has been based on wages on virtually never increased. Well, wages and salaries were reviewed once in 10 years. Wages increased by about two to three percent on the average—and that applied manily to piece-workers rather than hourly paid workers. The very rapid increase in wages began, of course, in recent years, mainly. So, the people who retired on pension before this find themselves, whether they like it or not, at a disadvantage, so to speak. Why? Because they worked for different wages, so to speak. They did not work any less or any worse. But their pensions, when taken at face value, are all based, so to speak, on the situation as it was five or 10 years ago.

"In this sense, the entire situation can in general terms, I repeat, be blamed on the exceptionally unfair pension legislation which we had. Therefore, in this sense, we see the answer, first and foremost, well, the average retirement pension in our country is today in the region of R95. Therefore, of course, you yourselves understand this. It is quite difficult to live on this money in our times. Therefore, we have followed a policy of defining, above all, a minimum level of supplementary benefit. We believed that we should define a minimum, R65, I believe. That's what we set. We set it at R65. That's the amount which should be added directly to pensions.

"But, of course, we also have to think, in general, of ways to speed up the recalculation of old pensions, those which were set earlier. This is because we honestly and frankly felt and said that, given the situation, the most important measures we would implement this year, 1991, would be the reform of pensions. That was our view. But we had to delay it, precisely because the state found itself short of what it needed, and not only money. This was not a question of money, in the literal sense. The point is that when you are dealing with elderly people, you encounter a very difficult problem. The structure of consumption by elderly people is very different from the general structure of goods output in our country. Under the old system, so to speak, prices were primarily subsidized, or kept artificially low, by comparison with costs. This applies to food. In fact, food occupies the main place in the structure of consumption by elderly people. It accounts for 60-70 percent. If you are talking about the minimum pension, then the proportion is as high as 30 percent of the pension. This is the proportion that people spend on food, in practice. Therefore, we decided to adopt a special approach to calculating the compensation for the elderly.

"Still, this question remains on our agenda, and of course we continue to believe that, given the situation, money alone will probably not resolve the problem for the elderly and for large families.

"We have made agreements with the Union republics that these compensations, so to say, and indemnities in monetary form, must also be backed up by a wide network of measures of material support in kind, for elderly people and families with children. We had such measures in mind, and that is what we kept making agreements about, that the republics and local soviets would organize, let's say, the centralized acquisition from industry and agriculture of various consumer goods, so as to provide them to people who, roughly speaking, cannot buy them on the market given conditions. No pension is enough, and they can't earn any more, which is what we are calling on those who can, and should, earn, to do. This system of measures is to be supplemented in addition to what we have already announced. But this system of measures is being worked out now in the republics. They will make their own decisions in addition to ours. That is the coordinated action we have taken.

"Furthermore, I should probably mention another category of people who find themselves in a very difficult situation, and that is families with children. The thing is that those who are in the most difficult situation are either those who have already given everything or those who are creating the future. Why? Well, there probably is no need to explain much here, it is understandable. When two people are earning, let's say, R200 each, they have an income of R200 per head. As soon as a third person appears, the income immediately drops by R100, so you get a disproportionate fall in the criteria of the standard of living. If there is a second one, then you don't get 200 each, but 100. So such blows, so to say, against the standard of living have led in many regions, especially in the regions of the European part, to a sharp drop in the birth rate, and family size in general, 3.2 people. It is a mass phenomenon that there is one child in a family."

Beketov says a number of questions have been collected.

Pavlov interrupts:
"Viktor Prokofyevich, if you wish to bring everyone in, then I propose that Comrade Nosov, who is precisely concerned with social issues, will give more details about what we envisage for children. Because this problem, of families with many children, or families with children in general, has always been problem number one for us. Frankly I must say, and I can say this to the entire country, that we, when we set up the system of compensation, we consciously undertook, well to put it bluntly, to take a little from all workers and give it to teachers, doctors and children, together with retirees. I must say this honestly, because it has turned out here that it is on average, altogether, around 80. It turned out to be around R80, or a little more. We were reckoning on 60 to 65, as you know from the decision. That is, generally speaking, we have taken around R20 from each worker and have given it to this part of the population."

Beketov reads a question asking if the five percent sales tax will be in operation for a long time. He says a second question asks how compensation can be called such when prices are to increase by considerably more than the amount to be given in compensation, and a third question asks if there will be an indexation of savings bank investments. A fourth question criticizes the state power to freeze private bank deposits.

Nosov responds by discussing compensation for mothers and children and other categories of people.

Pavlov interupts: "Aleksandr Vsevolodovich, excuse me, of course, but you keep quoting R60 for a worker. I want to be quite specific and clear, we have said R60 for a worker as a minimum. We haven't at all said R60. We have said R60 as a minimum, bearing in mind that we have embarked on decisions of principle, that we have released enterprises from the need to agree to specific rates and salaries they pay their workers."

A worker from a tire factory asks about a seeming contradiction in the upper limit set for the amount workers can earn from profit. She fears banks will follow another rule forbidding them to pay out the new higher limit.

Pavlov answers: "It is really a subject for Vladimir Abramovich, but the fact is that we really are lifting limitations here."

The worker interjects: "They will be lifted, will they? And there will be an official document about it?"

Pavlov responds: "Naturally, well, the comrades will say, that we simply can't manage to have all the documents printed at once, but Mikhail Yulyevich will tell you today about the decree that has been signed on the subject of the system for reevaluating investments in the savings bank. I think Vladimir Abramovich can tell you what is happening with the system of taxation, also according to decree."

Next, Rayevskiy details measures planned to reduce taxation on enterprises and to change the regulations connected with the labor renumeration fund. He discusses the introduction of the sales tax.

Pavlov says: "Vladimir Abramovich, let us talk about how everything really is, in reality. Why are you faltering like this?"

Rayevskiy says: "I am not faltering. What do you mean? I am not faltering."

Pavlov responds: "Well ok. The issues are quite straightforward. This need to be borne in mind. Let us recall when the government tabled the pensions law in May last year, it was valued at R27 billion. This is how it was tabled. Deputies received it with disdain and said that this is not a law, but a mockery. Pensioners cannot wait so long. They simply will not live long enough for this new law of yours, until you manage to introduce it. Therefore, first, the norms of the pension set need to be increased. Second, the date for implementation needs to be brought closer. Now I, for example, even think that if there was meat and milk, it should be brought even closer. So, the pension law finished at R53 billion, I think. That is one thing. The second, as it were, deputies from the commission for women and children spoke. In general, they also spoke correctly. It is very difficult to argue against this. They said, very well, they had a program for R25, I think. So, you do what you want, but there is a program of measures, I think of R8 billion which you simply do not have the right to postpone and put off. So, if with regard to all the rest we can agree to do something not now, but in a year or two, or whatever, then this really must be done right now. A number of questions were asked immediately, also, in general, correctly. On the disabled, on veterans, and so all of this amounted to around R80 billion. Just for these areas. How things were needs to be said honestly and directly.

"But in general terms, forecasting actually has nothing to do with price reforms and price formation. It actually has to do with very many things, among them political

matters and all the rest. So we can actually ask what is the point in forecasting a drop of 30 percent when in February we experienced a drop of 30 percent in goods to be carried by rail. You understand what that means. We have two objective indicators of output. You can throw in whatever other factors you like, but there is no getting away from it. The dispatch of goods by rail and electricity consumption, these are an absolutely exact physical indicator of output, providing a direct correspondence. You can take a look at how it works and you will see it all. So, there is this factor too, when today we already have, over these two and a half months, a total drop of 10 percent. That is without mentioning that our output of milk has dropped by 13 percent and of meat by 14 percent. What kind of level of output is that for us? You can imagine what lies behind it."

Next Beketov reads two questions suggesting that the mechanism for payment of compensation is unfair.

Pavlov says: "Viktor Prokofyevich, I have the feeling that Vladimir Abramovich is still a little agitated, whereas I have had a chance to catch my breath while he was running to get here, so let me say that I will finish what I was saying in reply to the first question, because I did not finish. Excuse me, but it is a matter of fact that when the Supreme Soviet was considering what do do about this, the question arose that output will not increase. So either we have to deceive people by printing money, giving them pieces of paper to carry around, though it doesn't make sense, or somehow find another way. It was decided that the only way to deal with this question is to share it, in other words, to carry out redistribution. From this developed the idea of a sales tax. Why? Because it is paid by those who do the buying. The more they buy, the more they pay. The more expensive the things they buy, the more they pay. In principle, there was a safety catch built into this idea, namely, that at the local level the republics were to define the list of goods which needed to be subject to social protection and on which the sales tax should not be levied. Such a list of goods was drawn up by each republic. I am not, at this time, going to go through the list drawn up by the Russian Federation, but it did draw up such a list, that can be said. For some reason or another, everyone has forgotten for the moment that in the Russian Federation the sales tax has in many places taken the place of the excise duty. This, too, should not be forgotten, because excise duty had been brought in in Russia. So, what else?"

Beketov comments: "On the question of compensation, if you please. Should it be up to enterprises to allocate their own funds for compensation? Indeed where are they to get them from?"

Krannopivtsev answers: "Before I start answering that question, I want to add to the reply by Nikolay Stepanovich. He raised one of the most penetrating issues, namely, that opponents of reform link price reform with a decline in output, when in reality it is all the other way around. It has already been said here that the decline in output has been brought about by the severing, or weakening, of economic links, of delivery discipline and by a whole range of other factors. As for price reform, one of its chief tasks that this is, in the first place, a very important link, or one of the inalienable links, for stabilizing the situation in the country, for stabilizing the economy. In the second place, it is one of the levers for increasing production efficiency. The reform retail price is, in fact, the conclusion of the reform of all our prices and price formation, the adaptation to new conditions of economic management in which the rights of enterprises are broadened, the rights of regions are broadened. Under conditions of centalized planning, on a clear, centralized, effectively rationed basis, regarding material and technical supply, prices did not play such a role. They primarily served as an instrument to calculate expense and results. But when we transfer to predominantly economic methods, then the problems become more acute, and every item must be priced to reflect the costs and labor invested in it, no more and no less, at least not more than 10 percent either way. But we know perfectly well, and Valentin Sergeyevich cited some figures that we have reached levels of subvention of R220 or R240 billion, even though 15 years ago we had merely R7 billion. It goes without saying that in conditions of such a distorted system of prices, there can be no question of normal economic links between the stages producing raw materials and those producing semimanufactured goods, since subventions have to come into it. Let me, perhaps, make a slight digression to give a short example.

"For a kilogram of meat, beef, the average outlay on the collective and state farms and on peasants' farms amounts, if we proceed from the new, modern prices, to R6.91, for a kilogram of the end product. The procurement price is R8.38. To this must be added, according to the new system or the old one, whichever you like, the procurement and processing costs plus profit, in the region of R1.00 or just under R1.00. According to the new price system, of which we are completing the reform, that's how it will be The cattle purchased from the collective or state farm and paid for at R8.38 a kilogram of end product will go on like that to the meat combine. Then, the costs of meat combine are added on, and the marketing costs, and the normal retail price is determined.

"What we used to have was an enormous subsidy. The cattle arrived at R8.38, but, when they left, their end-product value was put at under R2.00. The rest was made up by a subsidy from the state budget. Needless to say, with such a price system, it is difficult to speak of a more efficient, rational use of raw materials to obtain an end product. Many such examples can be cited. The price reform is aimed at levelling it out, so that there is a normal, logical and economic connection between all links from the raw materials to obtain an end product. Many such examples can be cited. The price reform is aimed at levelling it out, so that there is a normal, logical and economic connection between all links from the raw

material to the end product. So, of course, it cannot be said that the price reform generates a slump in production. That is one of the aims. The acceleration of production and the raising of efficiency are aims of the reform.

"Comrade Venyukov asked a question about control. Apart from what has been said here, it must be stated that, in the conditions of the switch to a market economy and to market principles of suitable pricing, whereby the price must be determined by comparing supply and demand, and we are not immediately rushing headlong into levelling it out.

"We are saying that, for the basic goods that determine the living standard of each of our country's working people, pensioners and the others, we have agreed on the maximum size of the price rise in any republic. It may be lower, but not higher. Then there is a large group of goods to which this market principle of pricing will apply. A limit is also being fixed. These prices are established by the supplier and the consumer, but within limits regulated both by state bodies and, hopefully, by trade union organizations too. They will also link up with state control so that we all, both producers and wholesale purchasers, do not turn the rules of the fame, the new pricing rules, into source of gain for individuals, but so that people should be rigorously guided by them."

Beketov asks if compensation will be paid to the acount of an enterprise. He further asks about investment indexation and if it is legal to freeze investments for six months, as has been done recently. Bakhmanovich answers that a presidential decree was signed on compensation for the losses in connection with price increases. Rayevskiy intervenes to clarify what Nakhmanovich said about interest rates on loans and reasons for price increases.

Rayevskiy continues with an analysis of discrepancies between wholesale prices and the cost of labor. The former had to be raised for this reason, especially in heavy industry. Refering to the ball-bearing works, he cites examples. Krasnopivtsev intervenes to make a point on compensation. He stresses that not all prices will be raised. He further says that compensation will be real, not imaginary, especially considering that the growth of income will be only slightly behind price rises.

Pavlov remarks: "I would put this somewhat differently. For example, we made all the calculations, which the comrades have made public here, and did all our calculations at the actual 1990 consumption level. You must bear this in mind. While the current production of food, the prices of which are changing, has fallen by 13-14 percent. Therefore, carrying this out would not be possible. Things would simply start to develop in the opposite direction. Today, our very major problem is how to even out our regions. We have now come so close to setting difference in prices which should flow into the treasury via the shops and the amount that which will need to be paid out. As a result, a very acute problem is arising between the regions. It must be said bluntly that our production is disctributed unevenly. Moscow's production has always made up 14-15 percent of the total volume of the turnover of commodities in the country. Therefore, say, the realization of the revenue through retail prices is taking place in retail and production centres, but people are spread more evenly."

An unidentified speaker interjects: "Where raw materials are being extracted..."

Pavlov interrupts: "In this respect there arises an enormous need for an search of justice. I must tell you this bluntly. If it had not been for the universal conviction that we cannot tolerate this situation in price setting we would have never come to any agreement in these conditions. Why?

"Because three republics must give away their own money to all the others, because they must receive from the realization of the end product, after all, they are at the end of the production chain. They receive and they have agreed that they must give. So you can imagine what it means to persuade people to give away their own money when you know yourselves that none of the republics have any special wealth, anyway. The temptation to try and solve their own issues is very great, but have opted for that."

Beketov takes a question from a worker in the audience, who asks what mechanisms are in force to persuade private farmers to increase production, rather than prices. Krasnopivtsev answers that only competition can do this. Beketov asks for more questions. An unidentified questioner asks Pavlov about his future economic reform program.

Pavlov says: "You know, I must answer you completely frankly. The whole point is that in principle, we want, to remain within the framework of what I can use in the time we want restructure the structure of production of all of our society in order to direct it toward the individual. I can cite this figure for you, it has, generally speaking, never been published anywhere before. Usually, in the plans, it was always stated that our accumulation fund was 25 or 24 percent, and all the rest was consumption. It was even stated there that personal consumption and public consumption comprised 90 percent of the total national income. Well, I, in general, can say that the so-called accumulation here, including military spending, was always around 36-38 percent. If you evaluate this figure realistically, then you will understand that this means. This is not because somehow they were very malicious there, or that they failed to understand something. But this was the international situation. Where could we have gone, as they say? We were compelled to adapt to this situation. But although we all knew very well that, apart from irony, nothing was aroused in anyone, not only in our country but abroad as well, when with stony faces we reported in various organizations that we had military parity with the United States, but that our defense spending was R19

billion. They spend almost R30 billion. All of this was quite clear. From this the question of our aims arises. The aims are, to be precise, to restructure the structure, to change this structure. But it is very difficult to change a structure. Because we have, after all, been using this structure for years. This is something that requires a long period of investment.

"You understand that, even to carry out the reconstruction of your plant, how long will it take? In Moscow, I think that in Moscow this is more than in other places. Some seven years is probably needed because building here usually takes a long time, and is done badly if foreigners are not brought in.

"So, the question is that we must build a new production structure. Essentially, we must create a new machine-building sectors. Because we do not have machine-building for the light, for the food and the chemical industry. Essentially, we do not have machine-bulding for the production of motor vehicles. All motor vehicles factories, even your nieghbor, whose equipment is French, if I remember correctly. So, at ZIL alone we have our own ZIL presses, but there they have the ZIL trademark, all this has been brought in from Ford.

"That is why we ourselves must set up a food industry, which we do not have, either. After all, we all know, it is being said, we lose 30 percent of our food. That's right we lose it.

"But we do not mention this second thing: Why do we lose the food? Everyone thinks of some careless people sitting around, who either do not want or are unable to do things. But we are loosing it simply because of elementary matters. In the regions, we do not have small refrigerators. We do not have milk separators. We do not have refrigerated trucks. We move cattle to slaughter over a distance of almost 800 km. They travel in trucks for a week without food or water. What will happen to them? When produce needs to be taken away, nothing is there to take it away with. Take such a traditional Russian commodity as flax. At one time I believe we produced 1.5 million tons of flax. Yes, Aleksey Vasilyevich, I remember that correctly. After all, you are our agricultural specialist here."

Krasnopivtsev says:" But it was a very long time ago."

Pavlov continues:" It was a long time ago. But now they have sunk so low as to approach me last year, in all seriousness, to ask hard currency in order to purchase flax in France."

Krasnopivtsev interjects:" They produced 500,000 tons. What have they sunk to?"

Beketov then asks if industry will be able to meet consumer demand in the future, if a large stockpile of goods is suddenly released onto the market when prices go up.

Pavlov answers:" You know, I must probably disappoint the comrades who have asked this question. We, our own, well, let's say, the goods produced by our own industry, first and foremost by machine-building, such consumer goods are practically not sold for export, and that is not because—even if we wanted to because we need hard currency so desperately—but nobody wants to buy them. Unfortunately, they are just not competitive. You know that when there are imported goods, and I really must state plainly, and this, too, is no secret, that the imported goods we buy in our country are far from being of the best quality. In this, it is a case, as they say, of keep the price cheap and buy more. There is no way of escaping this. But the way they sell, if you look at this hall, I think that about 75 percent of what people are wearing is imported.

"Therefore, industry is working, but the main issue is different, a sort of leap in the financial income of the population has taken taken place here. This must be openly acknowledged. Over the last two years, the population's financial income from wages and we can talk as much as we like about whether this is fair or unfair, about whether we have lost control—but an increase of more than R200 billion has taken place. While, for example, during the period of the previous five-year plan, it only rose by R70 billion. Just compare that. Due to this, a sort of leap in demand has taken place in relation to this. I think that, generally speaking if we do not look at our shops, but we look at what we have in our homes, then the second television in a household has already become a practical reality. It is already a normal phenomenon. Average provision is, I think, somewhere over the 90 percent mark of families, meaning those with television sets, although there are some families with two sets, and some without a set. The same applies for refrigerators here.

"But, it would be remiss of me not to speak about the second part of this. There is a second part to this, too. Do you recall that periodically there are all these sorts of contradictory intellectual decisions and propaganda? There was a time, not all that long ago, when we had a surplus of refrigerators and washing machines. I can still remember when we dismantled five washing machine plants, and now we do not know where we can get hold of the equipment to put them back on line. An increase in production of them is going ahead. Last year, it was by approximately 11-15 percent for various brands. All of this is what is really taking place in actual fact. But the demand is really not being met.

"Generally speaking, here we need to move objectively toward fulfilling demand, although there is one thing which is causing more delays than anything else—small electric engines. This is what is causing the delay. If only we had them.

"There is another problem behind this one. Copper. This is what is holding us back here. But, we are working. We will try to somehow increase production. At present, a fairly broad program was launched in this direction. I must, of course, say something else at this point. Our socialist and nonsocialist community has helped up

quite a lot in this. All our goods, let's say these machine-building and consumer goods which are just not competitive in a Western market have gone down rather well in the socialist countries."

Speakers from the floor complain about the fact that the questions, and Pavlov's answers to the questions, are not succinct enough. Beketov calls for succinct questions. A questioner from the floor asks about financing palaces of culture when the factory backing them is not making sufficient profit to allocate the necessary money? Would it be possible to finance the palaces of culture by taxing the enterprise, or would a state subsidy be possible?

Rayevskiy answers the question about financing palaces of culture. He discusses the tax system, which already allocates money from taxes on enterprises to cultural establishments. This, he explains, is part of the restructuring of state financing.

In turn, Pavlov says: "Generally speaking, the question is probably broader than this. You know, I think that in essence the question asks if we favor commercialization of the social sphere, the social-cultural sphere?

"I can say that in principle we have always been opposed to it. That is our position. We have never supported, or shared, many of these phenomena or tendencies, when individual enterprises have started to directly present their neighbours with bills, saying we pay for the upkeep of, let's say, the Lenin Komsomol Auto Works Stadium. So, your people come here, so come on, give us some money for the use of the stadium, or other such things. Generally speaking, such phenomena have started appearing everywhere. This seems particularly unpleasant when they start demanding money for children, as well, for nurseries and cribs. When there are nurseries or cribs in the balance of some enterprise or other, and a child attends and the factory pays money for this, everything is fine. But, now that we have gone over to financial autonomy, and they have started to do their calculations, they have said no, we will not pay for your child.

"Forgive me, but I think that we have not thought this through properly to the end, in this case, and I think that it needs to be examined again. Of course, it is fine when a factory, generally speaking, builds everything, helps and supports things, but when they start to make money out of this business, then I think that this is not very good."

A questioner from the floor asks about the differences in pay for cooperative workers and those who work in state enterprises.

Nosov says that the differences in pay between those working for cooperatives and those working for the state fell last year, as cooperative wages fell. He notes the need to increase productivity so wages increase.

Pavlov asks: "Aleksandr Fedorovich, may I disagree with you?

Nosov says: "You may."

Pavlov continues: "You see, the main task was different. We are all very well aware of this. Do you remember how cooperatives came into existence? Somewhere, at some stage, it was said that this was a new matter. Who should we be involving in it—students with free time, pensioners who cannot work properly with a normal workload and mothers with children who have two or three hours spare or at home? This was the idea at the beginning of the cooperatives. Working from this idea, and it is true to say that this was before my time, and I don't know why, but for some reason it did not work out. A decree was adopted by the Presidium of the Supreme Soviet. Taxes were established. The Supreme Soviet—and this was the first instance for very many years, in fact, I cannot remember another incident like this—but the Supreme Soviet did not confirm this decree. They said, no, the decree cannot be confirmed. For 18 months, cooperatives paid no taxes at all. It was then that the boom started for them.

"In addition, conditions for us and for cooperatives were unequal. No one needs to say that we need to produce. Yes, we need to produce, but cooperatives worked by selling at free prices, whichever ones they wanted, while we kept to state prices in production, bad or poor though they might have been.

"This should be given its due. There is, after all, no escaping it. The old system was, perhaps, not one which stimulated, but it had been brought to perfection as regards holding things steady. All the gaps in it had been filled, and there was no way of wriggling out of it.

"A simple question arises from this. What are we doing now? Now, in essence, we wanted to make conditions equal. We have said that our goal is not to close cooperatives, is not to go around taking away, or shooting, but is to create equal conditions for all forms of property. Conditions should be identical, whether they are for cooperatives, kolkhozes, private or state enterprises.

"Today we are moving toward a point at which the conditions, principally for price formation, will be the same for state enterprises and for cooperatives, and at which the rights for setting wages should be identical, too. When we can really, finally, carry this off, then we can really speak of receiving wages in proportion to the work done. It really should be said that up to now, we have not fully realized this. This should be said, in all honesty. But, this does not mean that tomorrow we should rush to close the cooperatives. We need to make more progress toward spreading the conditions for free enterprise so that they exist in state enterprises to the same degree that they exist in cooperatives. Although, if we are to say everything on this, then it must be said that, I know for certain, 75 percent, and I think that even something in the region of about 90 percent of cooperatives, I have been told by some people, at least, that is if we don't take into account the cooperatives that function

as middlemen, have been set up in association with state enterprises or at state enterprises."

Beketov reads a question about who is responsible for the prices in Moscow, and about where Pavlov's family do their shoping and what they pay.

Pavlov responds: While Alesksey Alekseyevich is preparing a reply to the first question, I can answer the second one. I do my shopping once a week. I, that is, my wife writes out the order. I hand it in at the food stall, and I pay state prices plus the percentage added on by the food stall. I think that they take 20 percent."

To laughter from the floor, Beketov asks "Do you pay the five percent tax?"

Pavlov says: "Yes, I do, I pay the tax on those goods to which it is applicable, including alcoholic beverages. "Krasnopivtsev then replies to the question about increases in Moscow. He discusses the presidential decree on prices.

Pavlov interrupts, saying: Perhaps that is unfair. Comrade, in the first place, you have brought an action against the Moscow City Soviet for illegal actions in setting prices. It was turned down. But, something else must be said here, too. When I reproached Luzhkov, I said to him, what are you doing? He told me, all the same, we are doing the right thing. Perhaps we are not formally right, but we are doing the right thing. Now, let the Muscovites themselves judge this. I do not know this system. He said that all of the difference between those prices which they set for eggs and tobacco, and so on, and the state prices which operate in every other case, is diverted not just anywhere, but goes into a special fund for the social support of the most poorly defended sections of the population. He even gave me figures that they receive there, something in the region of R800 million, and using this, they have set up special payments for children, for pensioners with low pensions, and they have set up some other benefits, too. Does Moscow have this system, now? Is it working now or not? I don't know, but if this was the way that it worked, then, forgive me, but it takes on a different shade of meaning. In this sense, you could ask if it is worth reproaching the Moscow city executive committee if, when there is nothing in the shops apart from outright speculation, all the same they decided to carry out a sort of redistribution to benefit the poorest. It is another matter whether they acted correctly or not, and it should be discussed fully."

Krasnopivtsev then asks: "If we are to discuss it fully, Valentin Sergeyevich, then the use of extra funds derived from this, for even the very best of purposes, still does not exculpate them from infringing state price discipline."

Pavlov responds: "I agree with that. The law is the law."

Krasnopivtsev then adds: "That is probably the chief thing of all, and only in that way can we bring order to bear. Yes, the instruction of 15 January this year clearly indicates that the difference on the current account can be transferred to the fund for the social protection of the population of Moscow.

Pavlov then continues: "You see, Aleksey Alekseyevich, I am not against the idea that the law should not be broken, but you understand, when people ask this question, they have in mind a very specific question: Who gains from this? This is what the question is, it is not...[changes thought] They say, where is our money going? What is this? The state sells eggs for R1.30 as they once did—the first category dietetic ones—and they sell them to us for R3. Where does the price increase come from if prices have not been changed? Whose pocket has it gone to? This is what it is about. I think, speaking frankly, that, to a large extent, people are correct. Here, there are, as they say, two truths, and this is always the worst thing of all. On one hand, Luzhkov is correct, and you are correct. In fact, part of Luzhkov's money, of course, went into the social protection fund, but I think that a good half of it has gone into quite different pockets."

Krasnopivtsev then says that both sides are, to a certain extent, in the wrong. Beketov then reads out two questions about the ball- bearing industry, the first one dealing with the price of ball bearings and the second one dealing with privatization. Krasnopivtsev replies to the first question, explaining that the price of ball bearings is likely to remain fixed since they are used in a lot of equipment that is important to agriculture and mining.

Beketov then asks: "The question of privatizing big enterprises, like the state bearing works, has been treated humorously. Nevertheless, this question is a very serious one; it is raised by many people. How will privatization be accomplished? Where will privatization stop? Will it affect major enterprises? Who'll answer this one? Go ahead, please."

Pavlov responds: "As you know, this is a very complicated question. Unfortunately, the government is often accused of taking its time over privatization. I, for instance, have read enough of these reproaches, addressed to me, that I stopped trying to read all of them, these claims that we are substituting a bogus reform of price-setting for the real thing, that we are simply raising prices and not moving toward the creation of market conditions. One of the main questions they raise is one that we raised when the 500 days program was proposed. Remember what it said? It said that one of the first things to be done should be privatization. This would create conditions for a new market, and then everything will be alright. I must tell you that I, personally, am not opposed to a process of denationalization and, to a certain extent, privatization. But, if we go about it any old way, without creating conditions in which people really can become owners—if you'll pardon the expression—on a legal basis, through money which they have earned; if we go about it the way we did with the cooperatives, cooperatives which have not paid taxes for

18 months; if we start a similar process now, we will create the conditions for the erosion of [words indistinct].

"We need to pay just a little attention. Look, we're very fond of talking about the way they do things in the West, of pointing to their experience. Just try going into any Western bank to deposit money. Mikhail Yuzyevich, for instance, will accept any amount that you care to deposit with our savings bank, no questions asked. But, try doing the same thing there, bringing them money and asking them to credit your account. The first question they will ask you is: Where did you get the money, my dear fellow? That is the question they ask. Over there, they check things very carefully. What sort of money is this? How did you earn it? Those are the questions they ask. If this money has been plundered, so to speak, the bank would rather not have anything to do with you; they don't want to have anything to do with swindlers; nobody does. So, why do we have to open the gates to them? Therefore, let's not be too hasty with this. That's the first thing. Let's establish laws which will regulate this process of denationalization and privatization. That's the first thing. Second, let's think about what we will do. Will we give away or sell? That's the most sacramental question. Some people suggest that we should give it away. What does that mean? What will change if that happens? Do you understand what I'm getting at? Therefore, we consider that there should be a basic policy at major enterprises. I'm thinking of ones like the state bearing works, like all your neighbors here, the tire works, the Lenin Komsomol motorworks, the compressor works over there, or the electrodes plant next door to you.

"Here, there should be a process of establishing collective ownership, and there is no way that we should embark upon a course so that tomorrow we make all enterprises into individual enterprises, so to speak. It must be borne in mind that, generally speaking, the monopolization process here goes a lot higher than anyone could imagine today. This monopolization process is what everyone has started to criticize today, and we have forgotten that we have called our monopolization by a quite different name for the whole of our lives: We said that it was the advantage of socialism, the advantage of the concentration of capital and specialisation. Who and what is it that the capitalists are now moving toward? It is this point that should not be lost. After all, you and I have really lost out due to the absence of competition, but we compensated for that in the fact that we concentrated and specialized our production. Where else is there a concern like the ball-bearing factories: We have 36 ball bearing factories, I think it is, or 38, I cannot remember at the moment, it is somewhere here, 35, yes, something in that region. But, where is there such a concentrated industry, each enterprise being specialized, specialized to meet the demand of the whole country? So, why do we want to destroy this? If today we simply begin the privatization process, then it will result in all of us starting to chase after profits. I do not know how the tariffs for ball bearings are drawn up at the moment, but earlier it was done so that the larger a ball bearing, the more profitable it is; The smaller it is, the more work it demands—the more precise work it demands—making it the least profitable. The most labor consuming ones are the cheapest ones."

Beketov and Pavlov end the conversation with one final exchange. Beketov reads the following viewer question: "Who runs our state? The president, the communists, or the democrats? Or maybe nobody runs it at all? We need to sow, but nobody is sowing; we need to work, but many people don't want to work. What sort of economy can we talk about? That was signed by Antonina Ivanovna (Tupikova), senior foreman in the assembly section at (Semeks). Maybe we can conclude our program by answering this question?"

Pavlov responds: "Well, that's a very interesting question, you know. I can say that everyone should do the job he is supposed to do. Everybody should ensure that his own work is done. After all, a system of administration is not a system of orders, from top to bottom. One person doesn't give all the orders. Can you imagine a situation in which the president administers your technological process? I realize that it may be administered, to a certain extent, by the director, but only to a certain extent. The main administrator of production is the foreman, the head of the workshop; that's who manages production. In just the same way, like all other people, the president administers the affairs of his own area of jurisdiction, as part of his powers. With all due respect to the president, his powers are also limited, so to speak. First, there are only 24 hours in the day; second, there are only a limited number of questions which he can handle during this time. In other words, his duties also have to be defined, and he does everything that depends on him.

"This question reminds me of the one I started with. You asked me what I was most worried about. Basically, I tried to tell you, in a gentler way, so to speak, that I was worried most of all by the confrontation and, a priori, the refusal to carry out, basically, direct responsibilities whenever a certain order, requirement, or commission is not very much to one's liking, to put it crudely, when there is a personal interest or a group interest which seems more important. Basically, this confrontation is today the destructive force which is dragging the economy down; hence, the practical question: Who manages? Who manages is not the point. The point is that we have all contributed in varying degrees to the destruction of the system of administration. We have destroyed it. You—I don't know how things are here, at the works—but I believe that you too are failing to fulfill the state order across the full range. In the old days, nobody here, at the works, would have forgiven you for this.

"Yet, nowadays, it works. Since you have asked the question yourselves, I will answer it by citing the following example: Let us take prices in Cherepovets. What I have in mind are instances of open violation of the law, open and direct violation. After all, he has no right to

demand more money of you for ball-bearing steel than it is set out in the list of price standards. But, nevertheless, no one hesitates to do this nowadays. In this respect, we have ended up with a society which, I should say, is devouring itself and does not wish to see that it is doing it. Why? Because we have not allowed for the need for responsibility from bottom to top. We said to ourselves that we will try and, pardon us, remove responsibility as an expression of fear of punishment for failing to fulfill something or other. We are trying to destroy it. But, we have not yet created any other kind of responsibility. Yet, and society is based on two things: rights and obligations and responsibility. So, responsibility is something we have not yet developed. Therefore, the administrative system is not working. After all, society cannot work on amateurish principles, such as I will do it if I want to, as it were. What is necessary for it to work is the principle, according to which a person must do that which he is obliged to do, that which he is obliged to do. But, if a person believes that the obligation does not suit him, then he must quit the position and take up the occupation he likes. Be my guest. In this respect, everyone is free to work in the profession he likes. One must choose in oneself. But, if one has choosen something and accepted responsibility for it, then one must be kind enough to be responsible for it. That is what we are lacking."

At 1759 GMT, the program ends.

Economic

Strikes Continue in Donbass, Kuzbass, Rostov

PM2503165091 Moscow IZVESTIYA in Russian 26 Mar 91 Union Edition p 1

[Roundup of reports by unnamed IZVESTIYA correspondents: "The Talks Begin—The Strikes Go On"]

[Text] **Donetsk**

In Donetsk Oblast miners from 25 enterprises out of the 122 mines and mining administrations are on strike today. Although this winter has been mild and the miners supplied the heat and electric power stations and coking by-product industry plants with fuel and raw materials in January-February, nonetheless virtually none of the coal reached the stores. In general, it went straight to use. All this because, compared with 1985, coal extraction fell by nearly 20 million tonnes.

Since 1 March, when the strike began, the sparse flow of coal has completely dried up. As of today, there is a shortfall of 1.3 million tonnes on the March plan. The miners of the "Donetskugol" and "Krasnoarmeyskugol" Production Associations are dealing the economy a particularly heavy blow. Together, they have failed to deliver about a million tonnes of fuel.

At all the metallurgical combines and plants of the Donbass, the furnaces have been put on slow speed. The coking by-product industry workers are at the end of their tether trying to keep their coke batteries working, because these, as you know, work continuously and go out of commission if there is a stoppage, which results in losses of tens of millions of rubles [R].

Ye. Krol, deputy minister of the coal industry, arrived in Donetsk today for talks with the strikers. The Union of Strike Committees of the Donbass will sit here tomorrow.

Kemerovo

Nearly 100 deputies, forming the democratic bloc on Kemerovo Oblast Soviet, have appealed to RSFSR [Russian Soviet Federated Socialist Republic] people's deputies from the Kuzbass.

"The forthcoming extraordinary Congress of RSFSR People's Deputies," the appeal says, "could decide the fate of the Union, Russia, and every one of us. Today it is quite obvious that the preservation, in its old form, of a state that swallows up the individual, the economy, and society itself is an impasse. The Union authorities are increasingly becoming the instrument of salvation for obsolete bureaucratic structures. The same policy is pursued by RSFSR Communist Party functionaries. They deliberately represent the struggle between two fundamentally different avenues of society's development as a power struggle between two political leaders."

"By aligning yourselves with your voters' choice," the appeal says, "you will rally the people of the Kuzbass, alleviate social tension, and justify their trust. We call on you to remember your lofty responsibility."

A resolution in support of the striking miners was also adopted by the participants in the All-Union Scientific Conference "The Intelligentsia in the System of the Social Class Structure and Relations in Soviet Society," which was held here in Kemerovo.

The conference participants collected R385 for the strike fund.

Abakan

A collection of funds to help the striking Kuzbass has begun in Abakan. This initiative was launched by deputies of the Khakass Oblast Soviet from the "Democratic Orientation" group and the members of the "Citizen" voters' and deputies' club. The first R220 from their personal funds have already been sent off to the Kuzbass, to the strikers' support fund.

In Chernogorsk City, the coal center of Khakassia, a conference of delegates from 19 mining enterprises was held. The enterprises included the "Khakasskaya" mine, the "Chernogorskiy" and "Izykhskiy" open cuts, and others.

The Khakass miners also supported the activity of the RSFSR Government and B.N. Yeltsin. A council of 11 people was elected to monitor the fulfillment of the

demands. Full strike readiness has been declared at Khakassia's coal enterprises, SIBINFORM reports.

Rostov-na-Donu

In Rostov Oblast 12 miners' collectives are on strike. That is 11 belonging to the "Rostovugol" Production Association—and they include all the enterprises in the Sholokhovskiy mining district—and the "Gukovugol" Association's mine named for the 60th Anniversary of the Lenin Komsomol.

The arrival of the government commission is expected today. But miners can be heard to express the opinion that they have little faith in such commissions. Direct talks between V. Pavlov and the miners could resolve the political demands, and then extinguish the flare-up of strikes.

One-Fourth of Nation's Coal Mines 'Paralyzed'

LD2503161791 Moscow TASS in English 1517 GMT 25 Mar 91

[Text] Moscow March 25 TASS—The Soviet miners' strike that began on March 1 has now paralyzed a quarter of the 600 mines in key Soviet coalfields, adding to the country's economic and social woes.

In a resolution on March 21 the Soviet parliament told the cabinet to discuss the situation in the coal industry and devise measures to avert further cuts in production.

The legislature also called on striking miners to give up their political ultimatums.

In contrast to the first labour unrest which began in the summer of 1989, most miners are now pressing political demands, including the resignation of President Mikhail Gorbachev, the Union government and the disbandment of the USSR Congress of People's Deputies.

The president flatly refused to negotiate these demands.

In all, 46 of the 101 collieries in the Kuzbass coalfield were on strike today. Workers at five mines in Belov, Prokpyevsk and Novokuznetsk began extracting coal but are not sending it to consumers.

More than 1,300,000 tonnes of coal have not been produced because of the strike in Kuzbass. Losses from delays in sales amount to tens of millions of roubles.

Miners failed to supply more than one million tonnes of coal to Soviet consumers, but exported 112,000 tonnes more than initially planned.

Local newspapers published Mikhail Gorbachev's letter to Kuzbass miners and residents.

The government and the country are aware of miners' problems, the letter said.

"The crisis requires urgent interference [as received] by the head of the Russian parliament because the Kuzbass strike hurts the Russian economy most," chairman of the Kemerovo regional council of people's deputies Aman Tuleyev wrote in a telegram to Russian President Boris Yeltsin.

In Moscow, the Presidium of the Council of the Federation of Independent Russian Trade Unions issued an open letter, saying that the expanding miners' strike, supported by other workers, destroys the country's economy and worsens workers' living standards.

Delays in the tackling of miners' demands could only further worsen social tensions, it says.

However, political problems should only be solved by constitutional means, the Presidium said.

The letter called on President Mikhail Gorbachev and Prime Minister Valentin Pavlov to begin talks with miners' representatives to solve their social and economic demands.

"Simultaneously with the beginning of the talks, the coordination council of strike committees could suspend the strike and end it in case of constructive progress towards an agreement," it said.

TRUD Rounds Up Miners' Strikes

PM2603100791 Moscow TRUD in Russian 26 Mar 91 p 1

[Reports by correspondents Yu. Kotlyarov, V. Gorodetskiy, and G. Klyucherov, under the general heading "News from the Mining Regions"]

[Text] Kemerovo—Despite the USSR Supreme Soviet resolution ["On the Miners Strike"], Kuzbass miners are still on strike. Work was completely or partly halted at 42 of the 76 mines and at one open pit in the Kuzbass yesterday.

I. Silayev, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, addressing miners from "Raspadskaya" Mine in Mezhdurechensk City, said in particular:

"I am reluctant to make any recommendations here, but the strike can only aggravate the republic's already calamitous situation. Now I would ask you to get back to work and to support us on the day of the extraordinary congress [of RSFSR people's deputies]."

(As quoted by the newspaper KUZBASS 23 March 1991).

Tula—The "Podmoskovnaya" Mine, the largest in the Mosbass [Moscow Region Coal Field], stopped shipping coal as of 11 March. It was later joined by three others—the "Tulaugol" Association's largest and most modern mines. The miners' demands are the same as those by miners in other regions.

"I think that this is the result of professional solidarity," "Tulaugol" General Director L. Zavodchikov told me.

"Coal from the Moscow region is shipped only as fuel for power stations. We now have stocks of 1.3 million tonnes of fuel. According to my data, the power industry workers have an additional 1.8 million tonnes. They can work perfectly normally for several more weeks even without us shipping any coal out."

Therefore, if anyone were to suffer as a result of the Mosbass strike, it would be the miners themselves. The first week and a half of the stoppage have cost the "Podmoskovnaya" collective 1.5 million rubles.

Lvov—Miners from the Lvov-Volyn Coal Field have been on strike for 10 days now. All 21 mines have stopped work. Consequently, the Ukraine's western region has lost 150,000 tonnes of coal.

"Our miners' demands are the same as those by their colleagues in the country," M. Chur, member of Chervonograd City Strike Committee, told me.

Strike committee delegates met members of the republic government including V. Fokin, chairman of the Ukrainian Council of Ministers, and elaborated conditions to enable the miners to halt their strike. But the labor collectives have no faith in the Ukrainian Government's promises: They agree to return to work only when the agreement document is finally formulated and signed.

Tula Strikers Threaten To Flood Mines

LD2503230991 Moscow Radio Rossii Network in Russian 2000 GMT 25 Mar 91

[Text] The main topic of the day is the miners' strike. According to our data, only three out of the 13 mines of the Vorkutaugol Association are operating. All the main work has been halted at five mines.

In the Kuzbass, 73 miners' enterprises are taking part in the strike; 46 of them have completely stopped work. Coal is being dispatched only for municipal needs.

The strike is continuing at eight mines of the Tulaugol Associations. Tomorrow in the town of Shchekino in Tula Oblast, the trial of the striking miners of the Zapadnaya mine begins. Strike committee member Vladimir Cherkassov said the miners intend to stick it out to the end, and if prosecutions do not cease, the miners will be forced to flood the mines.

Fire Reported at Kemerovo Mine

LD2603100691 Moscow All-Union Radio Mayak Network in Russian 0900 GMT 26 Mar 91

[Text] Here is a report from Kemerov Oblast. A fire that raged today at the Tayezhnaya mine in Anzhero-Sudzhensk, which is on strike, severely damaged the building of the administrative-consumer service combine. The causes of the fire are being investigated, but one of the reasons is obvious: the violation of regular safety rules for production premises caused by the work stoppage.

In the meantime, miners were forced to go down to the coal faces after a three-week break because of the worsening of the geological mine conditions at the Bolshevik mine in Novo-Kuznetsk.

Almost all the enterprises of the Belovskiy mine have resumed work. Yet the collectives of 38 mines out of 76, one open-cast mine, and three mine-constructing organizations are still on strike.

Donetsk Miners' Strike Results in Losses

LD2503213591 Moscow All-Union Radio First Program Radio-1 Network in Russian 1900 GMT 25 Mar 91

[Report by UKRINFORM-TASS correspondent Stolyarov from Donetsk]

[Text] Since the day the strike began in March, miners in Donetsk Oblast have lost 1 million tonnes of coal. Thirty-one mines in the region are completely or partially nonoperational. The losses are growing from day to day.

The miners have failed to supply 100 million rubles [R] worth of output to consumers, and in the process they have lost R37 million in profits. Housing construction, social and cultural amenities, and solving other problems which are vital to the miners are again being postponed.

The majority of the striking mines are feeling the shortage of funds more and more keenly. What is more, some enterprises are already now fittingly called bankrupt. Because of the undersupply of coal the critical situation at metallurgical and coal by-product enterprises is being increasingly aggravated. Hopefully the labor dispute which has arisen in the region will be resolved in the course of talks with a government commission.

Pavlov Says Miners' Demands 'Anticonstitutional'

PM2603112991 Moscow PRAVDA in Russian 26 Mar 91 Second Edition p 2

[Statement signed by Premier V. Pavlov: "Premier's Message"]

[Text] In connection with the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet 21 March 1991 resolution "On Miners' Strikes", I deem it necessary to inform the Supreme Soviet that the USSR Cabinet of Ministers is systematically conducting large-scale work to examine and settle the miners' economic demands. The measures that have been taken have made it possible to prevent strikes at the majority of coal-extracting enterprises.

However, under the influence of certain destructive forces, the strikers' demands—primarily in the Kuznetsk Coal Field—have recently been acquiring an increasingly anticonstitutional political nature. The USSR Cabinet of Ministers cannot conduct talks on such issues.

At the same time, the USSR Cabinet of Ministers expresses regret that the RSFSR Supreme Soviet, having taken on the issue in question for consideration, did not deem it necessary to approach the USSR Government for information about the real state of affairs, the measures being taken on the coal industry's work, or the actual causes of the strike, nor did it invite competent officials from the relevant union organs to discuss the issue.

Perplexity is also caused by the fact that, while shifting responsibility for the conduct of talks with striking miners onto the USSR Cabinet of Ministers, the RSFSR Supreme Soviet for its part has taken no measures to settle the conflict, whose further expansion could lead to the destruction of the economy of the Russian Federation and the of the country as a whole.

The USSR Cabinet of Ministers is continuing its work on examining the miners' economic claims. At the same time we hope that the RSFSR Supreme Soviet, for the sake of the genuine interests of working people including the miners themselves, will address them with a proposal to resume work.

Furthermore, during the consideration of miners' problems, the USSR Government constantly comes up against the lack of solutions to questions of supplying food, housing, social and cultural institutions, and medical and transportation services, questions which have for several years been within the purview of mainly republican and local organs. It is impossible to establish a normal rhythm of work unless they are solved.

We are convinced that only joint efforts could lead to positive results.

[Signed] Premier V. Pavlov

Vorkuta Miners Reject Pavlov's Offer for Visit

PM2503134591 Moscow KOMSOMOLSKAYA PRAVDA in Russian 23 Mar 91 p 1

[POSTFACTUM report: "Pavlov's Surprise Move"]

[Text] A telegram received at the Vorkuta Strike Coordinating Council from USSR People's Deputies Valeriy Maksimov and Vladimir Lushnikov says that USSR Prime Minister Valentin Pavlov has agreed to fly to Vorkuta and Inta to meet with miners' representatives and to examine all the miners' problems and questions. Pavlov has set just one condition—that the meeting be held only after the strike has been called off.

On the very same day at a sitting of the city strike coordinating council a decision was made to reject the condition set by Pavlov and to continue the strike. In the words of Viktor Kolesnikov, cochairman of the strike council, the miners are continuing to insist on a meeting.

At the present time seven out of the 13 mines in Vorkuta are strikebound.

Kizel Miners Threaten Strike After 1 Apr

LD2603090591 Moscow All-Union Radio Mayak Network in Russian 0800 GMT 26 Mar 91

[Text] Our Perm correspondent reports on the situation which has taken shape in the Kizel Coal Basin, in the Western Urals. This basin is one of the oldest in the country. Around 30,000 people work here. Despite the fact that Perm miners support the economic and political demands of the country's miners, they are nevertheless not striking. Output continues to be received from Gosugol [State Coal]. A commission has now been set up in the Kizelugol [Kizel Coal] Association. It has left for the ministry in order to resolve disputed issues. At a meeting of representatives of the strike committees of coal extracting enterprises of the Kizel Basin, it was decided that if the miners' demands are not met, they reserve the right to strike after 1 April.

Government Response to Miners' Demands Noted

PM2203162191 Moscow PRAVDA in Russian 22 Mar 91 Second Edition p 2

[Yu. Medvedev commentary under the rubric "Economic Panorama": "Miners Pose a Question"]

[Text] The strikes which are taking place today at 165 mines in many of the country's coal-mining regions have entered their fourth week. Life has come to a standstill at the faces. Hundreds of railroad trains have piled up on the spur tracks.

Strikers are holding rallies and meetings. The miners' family budgets are running short. Dissension has become apparent among the miners, albeit not to a great degree. Some favor a suspension of work while advancing first economic demands and then also categorical political demands. Others favor continued work and the satisfaction of valid claims, but using different methods.

Meanwhile, the coal starvation rations are forcing those who use the miners' output to pull their belts increasingly tight. No raw materials, no output, no wages. I will remind you that even before these days matters in the coal industry left something to be desired. Thus, last year extraction volumes fell five percent compared with the previous year. They fell eight percent this January compared with the same period in 1990. Coking coals, which are in acutely short supply, account for almost half of the drop in extraction. Because of the coke shortage blast furnaces were working only spasmodically at Nizhniy Tagil Metallurgical Combine, the "Tulachermet" Association, Lipetsk's "Svobodnyy Sokol" Plant, and a number of other enterprises. This had a pernicious effect on metal production. Miners' irregularities led to a strained situation in railroad transport and in the generation of heat and power—which naturally affected the work results of many collectives in very diverse sectors of the country's national economy and did not help to improve people's social and domestic living conditions.

Shortcomings and distortions long ago became apparent in the coal industry and grew progressively worse over the years. Enterprises became decrepit, equipment became obsolete, extraction technologies began to lag badly behind the best world technologies, and labor safety practices at the faces improved only slowly.

Mining settlements became dilapidated, particularly in the north and the Far East. With the increase in the prices of goods and services, the gap between the size of miners' wages and that of their pension provision became more tangible. All this led, in the end, to the people's dissatisfaction and to the demands which they advanced in the summer of 1989 for a better life for coal miners.

The government treated their concerns and claims with understanding. The protocols which were signed at the time by the leaders of the government commission and the miners' strike committees became the basis of USSR Council of Ministers Resolution No. 608. Almost all the points in that document have been fulfilled today. Of course, mindful of the fact that it will take far more time than has elapsed to realize some of them, it is too early to regard all the economic demands as met.

However, as Deputy Prime Minister L. Ryabev has reported, the pension question has been resolved. As a result of examining working conditions locally, the pensionable ages of workers employed on work underground have been lowered. This right has also been granted to a number of representatives of those professions which previously did not feature on the list in the USSR Law on Pensions. The list of those who enjoy pension privileges has also been extended significantly.

In connection with the change in retail prices in yesterday's USSR Cabinet of Ministers resolution the question of the payment of compensation to all working people and pensioners, including miners, has been regulated. It should be noted here that the size of wages and the growth in them depend chiefly on improved production efficiency and on the organization of production. If the leaders of collectives and specialists are able to find the most advantageous and economical ways of organizing economic management and ownership and to introduce them into work, there will be more coal, its extraction will be cheaper, and miners' wages will be higher.

At USSR President M.S. Gorbachev's recent meeting with a group of Kemerovo oblast and city soviet deputies instructions were given for improving the existing taxation, the regional coefficient, food supplies, and other questions of concern to mining collectives and all working people in the oblast.

Of course, they cannot manage here without solid financial support from central organs. Thus, in response to the strikers' demands, on 14 March USSR Vice President G.I. Yanayev informed the Kuzbass miners of additional funding for the coal-mining sector. More than 315 million rubles [R] has been allocated to nonproduction construction, R72 million to the development of the infrastructure, and more than R210 million to the construction of railroad lines and the Novosibirsk-Novokuznetsk gas pipeline. Large amounts will be spent on providing public services and amenities in mining cities. R50 million is being channeled into giving assistance in terms of foodstuffs, medical supplies, and essentials.

The situation in the coal-mining basins was discussed at the USSR Supreme Soviet session 20 March. The speakers voiced understanding of the miners' complex problems, which need to be resolved most speedily. At the same time they did not share their categorical and anticonstitutional political demands. Concerning the economic demands, they pointed out that it is unrealistic to find a way out of the grave situation in the sector by means of strikes, rallies, and hunger strikes.

Proposals were made for settling the conflict and, in particular, for setting up groups of deputies for this purpose or a government commission to study the situation and find a way out of it. Deputy V. Kucherenko particularly emphasized that such a commission must begin work only after the strike has ended.

On the same day a government telegram from the people's deputies of the Pechora coal basin was sent to Vorkuta from Moscow. It stated that an agreement had been reached with USSR Prime Minister V.S. Pavlov for him to fly to Vorkuta and Inta to examine on the spot those problems which have taken shape in mining collectives. But this will be done only on condition that all the mines in the basin are working.

Price Reform Implications Viewed, Reported

Bank To Compensate Savers

LD2303002791 Moscow TASS International Service in Russian 1925 GMT 22 Mar 91

[Text] Moscow, 22 Mar (TASS)—The reform of prices which comes into force in the USSR on 2 April has caused alarm among the population over the fate of savings bank deposits.

In a Soviet television interview Viktor Gerashchenko, chairman of the USSR State Bank, announced that the USSR State Bank intends partially to compensate depositers for the coming increase in prices. He declared that a proposal has been sent to the USSR Cabinet of Ministers that deposits be raised by 40 percent.

This figure, Viktor Gerashchenko noted, may be explained by the fact that according to the figures of the State Committee on Prices consumer goods prices, excluding foodstuffs which will be compensated for by direct payments, will on average increase by 40 percent. Securities will also be compensated at the same proportion.

It is proposed to make the recalculation in accordance with the situation on 1 March.

Effects of Price Reform Questioned

LD2403224591 Moscow Central Television Second Program Network in Russian 1845 GMT 24 Mar 91

[Commentary by Nikita Kirichenko of KOMMERSANT; from the "Author's Television" program—recorded]

[Text] On 19 March, documents were signed that determined the course of price reforms. However, many key matters have remained unresolved. The main problem that confronts financially autonomous enterprises is the need to pay compensation to their employees from their own resources. This will place many on the verge of bankruptcy. For this reason the documents envisage a number of benefits for financially autonomous state enterprises. Alternative economic enterprises will be deprived of such support. As a result, the market sector could be plunged into a state of depression and its development will drag on for many years.

As has become known, on 22 March, the main form of compensation to the population for losses relating to the rise in prices will be the indexation of deposits. The president has signed a special decree on this count.

The decree stipulates that all deposits, as they stood on 1 March, will be increased by 40 percent. In other words, to the 400 billion rubles in savings of the population will be added a further 160 billion rubles. However, if the deposit exceeds 500 rubles, then the addition to it will be entered into a special account and frozen until 1993; that is, it will not be possible to use it until 1993.

Many specialists regard this as a rather cynical move. Ten days prior to the reform the population is given 60 rubles each, and then 700 rubles is frozen, since that is what the addition to the average deposit will be, for a period of two years. According to the calculations of specialists, both the population's current income and the population's savings will depreciate in value as a result of the price reform by more than a third. The main thing is that the state will not even be able to put its financial affairs right. Purely arithmetically, the population will be plunged into a state of shock and large budgetary redemption payments will be required to overcome the consequences of this shock. As always, there are more details in the next issue of KOMMERSANT weekly.

Price Reform Implications Examined

PM2503153391 Moscow PRAVDA in Russian 23 Mar 91 Second Edition p 1

[Political observer Aleksandr Nikitin article under the rubric "Topical Issue: Our Position": "Passion Over Prices"]

[Text] "It has happened!" many readers will say. But with no particular enthusiasm, of course. For what has happened is something which some people had long been awaiting warily and others had been awaiting with vague hope. The government has finally shown the will and made the decision on the reform of retail prices and the population's social protection. This is a necessity under the present conditions—a bitter necessity which makes our life appreciably more complex, but still a necessity. This reform has absorbed many European attributes of similar actions in the past: compensation, a partial increase in wages, social protection for needy people.

And so, on the eve of the spring Passion Week we have fallen into a passion over...prices. We have entered that relatively early stage of the market which, with its social upheavals, the West did not bypass either. As the poet said, it is not for us to divine in advance... Particularly as not even the prime minister himself has ventured to do so.

But there is, of course, a difference too. The Soviet state retains the role of regulator of the incipient market relations in the country, for their sake clearing away the old obstacles. And it is seeking to put our disordered money circulation in order by means of the reform of retail prices, as well as by the previous reform of wholesale prices. Without this no economy, not even a command economy, not to mention the future market economy, can develop.

Of course, at first sight the expression with regard to "liberalizing" prices in the decree and the resolution and with regard to "democratizing" the system of price formation in scientific reports does not sound quite intelligible to many people. Was our entire political democratization really needed just to increase prices? Nevertheless, profound economic meaning is concealed in political terms. For frozen prices are akin to a frozen economy, and those which have broken into a gallop, regardless of any will, are akin to anarchy.

In the opinion of specialists of the USSR State Committee on Prices, there had been no serious changes to the state prices of foodstuffs for approximately 30 years. The recent changes, most frequently semispontaneous ones, as well as the "creeping" prices of industrial goods, attest to a crisis of the old system of price formation, which had broken down during the times of Brezhnev. This was happening against a background of general growth in wages and bonuses, most frequently in unearned rubles not backed up by goods.

The new decisions will make it possible, on the one hand, to destroy the steel framework of prices which was created long ago but within which the new economic relations cannot live and, on the other, conversely, to remove the unnecessary restrictions on honestly earned—precisely honestly earned—money. And, thanks to this, to halt the internal elemental forces which give rise to inflation and are whipped up by speculation and the "black" market. The most terrible thing is probably that galloping inflation renders high-quality labor worthless and lowers the level of production. And here there is no longer a way back. Nor can there be one.

In my view, the presidential decree and the Cabinet of Ministers resolution must resolve the protracted disputes over how the market is to develop now. Artists, fiction writers, and movie critics have most frequently contributed to journals on these topics. They have proposed, in particular, carting off the country's gold stock to the West and purchasing at triple the price there commodities manufactured under conditions of overproduction. In fact this would mean additional superprofits for foreign firms. But, according to their logic, the renewal of their own production will wait. In this case the result could be unforeseen: huge currency debts, payment in precious raw materials at world prices dictated by the West, and the total degradation of society.

At the same time new decisions are certainly not being adopted for confrontation with Western firms but, on the contrary, to develop truly equitable market relations with the whole world. And, above all, to expand commodity-money relations inside the country.

The passions which we are experiencing today over the market are not accidental. Several generations have grown up and been educated to be conscious that the market is a synonym for exploitation and something that is only good for capitalists. What lies ahead is a complex path of doubts, sober insights, and original and, unfortunately, not always joyful discoveries. For prices can rise even after decrees and resolutions. You cannot order them once and for all, as the saying goes. For contract prices and quite free prices in marketplaces large and small remain. And these will probably determine the economic situation as long as our state trade counters are empty. We will now really have to learn a life that is in many ways new for us "not from textbooks." Both the pluses and the minuses will be more palpable.

Reformers believe that we will feel the minuses to a lesser extent, as specific ways have been outlined for the population's social protection. Naturally, a guarantor such as the state has never been discounted anywhere. But let us look the truth in the eyes and say: Even such a guarantor is hardly capable of everything. This can only be done by all of us put together, when our knowledge, labor, and skill will be the guarantor.

And the price reform? What role will it play on the horizon of the economy's transformation? If not the key role, then an all-penetrating one. It will, as it were, renew all nerves for commodity relations of a new nature on a foundation of different forms of ownership and growing independence: genuine priorities in labor, science, culture. And in...sausages, potatoes, television sets, and blouses without ration coupons. The significance of the reform for economic development probably cannot be measured in any size of compensation. This is not the end but, rather, the beginning of many other beginnings.

Experts Cited on Price Reform

PM2003140791 Moscow PRAVDA in Russian
20 Mar 91 Second Edition pp 1-2

[Article by G. Yastrebtsov: "Step Toward Market"]

[Text] "Where are we going? They are shouting from every street corner about the market economy and on that pretext they are pushing through an increase in prices for food and goods in wide demand. One asks: Where are we ordinary people to find ready money to pay the new prices?"

I have quoted a letter from reader R. Zhukov from Volsk City, Saratov Oblast. The editorial office is receiving a very large number of these letters which, actually, is not surprising—after all our life can in no way be called replete or cloudless. People have grown tired of endless lines, empty store shelves, permanent and universal shortages, and the need not to buy but to "lay hands on." Even if common sense and logic suggest that our sick economy cannot be cured without a resolute prices reform, their feelings resist it and their hearts are obstinate. Those whose purses are meager fear that after the reform they will be completely empty. That is why the crucial question is: Are the sacrifices really not in vain, will we finally see light at the end of the tunnel?

I give the floor to specialists who took a direct part in preparing the prices reform.

A. Krasnopivtsev, deputy chairman of the USSR State Committee for Prices:

"I shall begin with the fact that the so-called stable system of retail prices adapted in our country to an artificially lowered wages level long since became obsolete.

Price has ceased to be an objective criterion of the usefulness of labor or the importance of a particular type of output.

When we speak of the market then we have in mind primarily the encouragement of people's initiative and their interest in the results of their labor. Prices should become a reliable instrument for measuring the efficiency of work. Under the conditions of the disruption of the harmony between supply and demand trying to preserve prices at their former level is an illusion. Sooner or later, as the experience of many prices shows, there begins a spontaneous "prices jamboree."

I shall recall that two alternative paths of reform were suggested. The first was a one-off transition from state (fixed) prices to free prices for the majority of goods without restrictions on the degree of increase but with subsequent indexing of the population's incomes. The second was the centralized alteration of prices for basic commodities which determine people's living standard while setting limits to their increase and providing prior compensation for the increase.

All republics gave their preference to the option of the coordinated alteration of retail prices under the center's leadership with the simultaneous expansion of the zone of contract prices. This option was adopted as the socially less painful.

The same limits were set for the whole country for the increase in state retail prices for basic consumer goods, including a limit of 150 percent for food, a limit of 135 percent for underwear and mass-produced types of textiles, clothing, and shoes, and a limit of nearly 200 percent for children's goods. At the same time the new prices for many foods (vegetable oil, eggs, groats, individual meat products, and so forth) will be lower than the contract prices at which many goods are already being sold in state trade, not to mention the collective farm market.

Retail prices for medical supplies and medical articles, coffee, light industry output made from synthetic materials, gasoline, kerosene, electricity, gas, coal, stove fuel, and logs, and also for vodka, for that would lead to an even more pernicious increase in moonshine.

N. Cheshenko, deputy chairman of the USSR State Committee for Labor and Social Problems:

The market presupposes that the person who produces a product, meat for instance, will of course not sell it to himself at a loss. After all, costs must be covered and a profit must be obtained. So far meat and many other products have been sold at a relatively low price. The subsidy for this was taken by selling a number of goods at higher prices.

Now it will be otherwise. The subsidy is being taken from the producer and given directly to the population, to consumers.

How will compensation for various categories of the population be distributed? For all those employed in wage work wages and salaries are increasing by at least 60 rubles [R] a month. That has been done to maintain the level of real wages to a certain extent. But enterprises have the right independently to increase wages and salaries, having made efforts to earn the funds for the purpose.

As for the incapacitated population, for all nonworkers on old age, retirement, and invalidity pensions and pensions for losing a breadwinner, social pensions and supplements for incapacitated members of the family and for dependent nonworking pensioners are being increased by R65 a month.

To maintain the living standard of families with children benefits to such families are being increased by an average of 60 to 80 percent. At the same time special compensations of a new type are being introduced: For children under 16 years of age who do not receive benefits there will be a payment of R40 a month. In addition families with children who are minors will receive targeted compensation payments in connection with the increase in the cost of the range of children's goods. I should like to stress particularly that of our country's 86 million children formerly only about half received benefits of various kinds. Now virtually all children can count on them.

Of course, I am far from thinking that the reform is a boon to one and all. There are regions where foodstuffs are traditionally bought on the market. And there prices will of course not decrease. People with what are by present yardsticks sufficiently high incomes will lose out in some respect. But as a whole the reform proceeds from the interests of the entire population. The prices approved at union level are of a limit, a maximum. Therefore the republics for their part can if they are able set lower prices.

Experts on 'Financial War' Against USSR

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[Article by S. Kurginyan, president of the Experimental Creative Center Corporation, and V. Ovchinskiy and G. Avrekh, experimental center experts: "The Financial War"]

[Text] The range of scientific research interests of our Experimental Creative Center is broad: economics, politics, military affairs, crime, and social psychology. We have other interests as well. Our objective is to formulate forecasts on the development of a great variety of aspects of social life. The ETTs [Experimental Creative Center] has pursued such activities systematically and thoroughly for quite some time. However, nor have we ignored isolated events and facts, having repeatedly seen the way a seemingly isolated random fact, quite out of the ordinary, would suddenly leads us into an entire array of perfectly natural phenomena.

That is why when Prime Minister V. Pavlov said that a financial diversionary action was being mounted against the USSR we became quite interested and watchful, for a variety of reasons. To begin with, for the past few years the ETTs has been studying the "financial war" phenomenon. Second, we have developed a reasonably good method for the analytical study of sensational occurrences, which helps the ETTs rapidly to separate a bluff from a real fact. Third, the prime minister's statement was too serious to be ignored. Finally, "work with sensations" is the best of all possible practices for our specific scientific research team.

So, Prime Minister Pavlov used the term "financial war." What does this mean to the Soviet citizen? What is his reaction to this term and to the prime minister's statement?

It was quite simple! A citizen who sympathizes with the conservatives would experience a moment of satisfaction, for that is how things are: a conspiracy of "some forces" which could wreck the country (CIA, Masons,

Jews or Germans—internal or external enemies). A democrat would be indignant: do we have to look for enemies again!

The prime minister must be held answerable for his statements. His sources of information, one would assume, are immeasurably wider and deeper than those of independent researchers. Our task, therefore, is neither to refute nor confirm. We wish to arm the readers with some information, so that they could base their own attitudes on knowledge of the problem.

Preliminary Questions

We must begin with three key questions.

First. What is a financial war, from the viewpoint of global practical experience? Is this concept a political reality or a bluff?

Second. Have there ever been financial wars in history? When, by what means and with what weapons, and for what purpose?

Third. Are such actions possible today, and who can play such a game on our territory? What are the possible scenarios?

And so, what does the term financial war mean? Financial war is a structural component of economic war which, in turn, is a component of the so-called stress strategy. Financial battles may be fought by any power with sufficient financial resources at its disposal and corresponding structures and connections. Today, as practical experience demonstrates, an array of such means is at the disposal of by no means solely countries competing against us. Furthermore, the countries themselves could become victims of adventures launched by powerful financial groups pursuing their clannish interests. It is not excluded that group interests may also not coincide with the interests of "their own" countries. It is only people raised in a naive-Marxist spirit who believe that undeclared wars cannot be waged between the state and "some kind" of monopolies. It is precisely we and our fellow- citizens who find it difficult to accept the following fact: that someone within the country could conceive of opposing the state. The bogey of our totalitarian state prevents the individual from understanding the nature of the deployment of forces in the contemporary world in which, incidentally, everything is brittle and unstable. It is impossible to consider any individual social component as a monopoly, as an integral object. Everything in that area is imbued with contradictions, clashes, and "war of all against all." Strange though it might seem, it is within this "total war" that the high level of dynamics of foreign societies comes to life.

Contemporary culture, thanks to which we can steadily maintain a balance within this tangle of contradictions, errors, and groups and a system of reciprocally repelling particles, is achieved through the works of high intellectuals, the support of great statesmen and the suffering of nations. To us this system is today unattainable. In our country, alas, there simply is no time to develop such a culture and to coordinate, link, and interconnect. Our social system is extremely elementary, traditional, and sketchy.

What is most tragic is that neither we nor they can understand how wide that which divides us is. They describe us in their terms and try to compare us to post-Franco's Spain, Pinochet's Chile, Iran or Eastern Europe. All in vain, for the method of analogy does not work. This is both the strength and the weakness of our great country.

In turn, in an effort to understand the West, we describe it in terms of our way of instrument readings, our cultural and historical traditions and our political language. That is why it comes out in black or white, as imperialist or a semi-god, as an enemy or as a friend.

But what about the West? It ignores all this. The only interest it pursues is its own. That is its strength. The law of the competitive struggle is its highest standard of culture. It is precisely this law that dictates to the West the logic of its actions in politics, science, culture, and intergovernmental relations.

One of our Western colleagues asked us, with a feeling of almost mystical horror: what does the war of laws mean? For example, between the USSR and the RSFSR. How could this be possible at all? And how, in the presence of perhaps only two conflicting laws, could we prevent the economy from breaking down in a few days? We tried to explain to him that in our country no one has ever lived according to the law and that the law here means something entirely different from what it means in the United States or Sweden. We even quoted Belinskiy's famous statement: "Russia's fortune and misfortune lie in the fact that no single law has been consistently implemented in it." Naturally, our Western colleague remained totally in the dark.

Another specialist asked to be explained why, despite its incomparable economic superiority, the Center had deemed necessary to send tanks into Lithuania?

That is their standard: never use force if other means are possible. The great Western powers, the United States in particular, have waged wars relatively rarely. They have wasted in wars immeasurably fewer human resources but also immeasurably greater technical resources which have, gratifyingly, always been abundant. Iraq is the latest example. However, that same United States has never stopped waging continuous economic and financial warfare, proceeding from the fact that "*Victory Without War*" (the title of Richard Nixon's book) is less costly, more profitable, and yields a fuller victory than war. Woe to the weak are the cornerstone and maxim of that culture.

Meanwhile, our average man-in-the-street reasons: could it be that this good-natured and always smiling American would wish anyone harm? Once again, we are dealing here with a cultural, a paradigmal error. The "smiling

American" does not wish any harm to anyone. The American is always concerned with one thing only: his personal benefit. That is all. And if a financial war is profitable to him no government would restrain him, nor should it, for let the government watch and restrain those it views unfavorably, let it fight those people.

Leaping before we look into an open economy, opening our selves without anyone knowing to whom and in what way, lacking the necessary state instruments which could protect the interests of the USSR under the new (unprecedented) conditions of global economic activities, could we hope not be stripped bare? For everything necessary to lead to this is present. The USSR has banks which are not banks, exchanges which are not exchanges, and chambers of commerce and industry which are not chambers of commerce and industry! What do we want? We have monstrously misshapen prices, and most of our "new politicians" are totally illiterate. Republics, oblasts, and rayons are fighting each other. What could we expect under such circumstances? Who could we blame? No one but ourselves.

As history proves, financial wars are being waged ceaselessly. The foreign exchange intervention (as described by the prime minister) is merely one of the tactical means used in uncompromising battles fought among currencies.

Something About Typology

Let us explain, albeit briefly, the typology of currency battles.

We know how financial wars fought, as elements of ordinary wars. Everyone has probably heard of the financial coup which fascist Germany mounted against England. Let us not go into details (which, however, are extremely interesting). Let us merely recall a few aspects. False bank notes of German origin could be found in various countries as late as the 1960s-1970s. It was no accident that the bosses of the coordinating center of the money forgers were personally Admiral Kanaris and Himmler. Interestingly enough, not a single one of Himmler's and Kanaris' associates, responsible for the forgeries, was penalized.

As far as our country is concerned, affairs involving false Soviet currency originating abroad began in the mid-1920s. The leaders of this undeclared war were not insignificant personalities. They included Emanuel Nobel (the nephew of the founder of the humanitarian foundation), General Max Hoffman, Shalva Karumidze, Spiridon Kedia, and Georg Emil Bell. They included bankers, stock owners, members of general staffs, political personalities, intelligence agents, etc. This select company was united by an objective which Hoffman expressed as follows: "These united countries (France, England, and Germany—author) should have overthrown the Soviet government through their joint military intervention and restored economically Russia in the interest of English, French, and German economic forces. The participation, economic and financial above all, of the United States would have been valuable. This would have secured and guaranteed the special economic interests of the United States in the Russian economic area."

In 1926, the idea of "overthrowing the Soviet government by floating false currency" began to be intensively implemented with the help of influential political forces in England, Turkey, Bulgaria, Persia, Romania, Poland, Finland, and Czechoslovakia. As early as 1928, large amounts of forged Soviet currency was arriving from Paris. In that city, the "manufacturing" of such currency had been organized by Myasoyedov (formerly vice governor Suvalok), Simanovich (Rasputin's former private secretary), and the White Guards Eristov and Litvinov. That same year, the Prussian criminal police exposed the forgers, although it is true that as a result of the efforts of "unknown" political forces not a single culprit was punished.

Another type of financial war is the one waged by the mafia. In today's market, only banks are able to organize the international turnover of capital. For example, the Sicilian mafiosi deposit their income from the heroin trade not only in Sicilian banks but also in banks in Lombardy, Switzerland, and America. The mafiosi have organized their own "financial companies," which engage in international currency speculations. In particular, they increase import prices and lower export prices of commodities, profiting from such operations.

The Italian mafiosi engage in amazingly simple and effective operations involving checking accounts, by withdrawing or depositing money simultaneously in Italy and abroad. All this it takes is to include in the group a foreigner who lives in Italy but who also has a checking account abroad. This is known as the recirculation of money. This step adequately eliminates the traces of income from delicate operations, such as kidnap ransoms.

Avoiding the paying of taxes is another aspect of the financial war. Those same Italian mafiosi would open a huge number of fictitious accounts, in which they would deposit large sums of money. This major way of cheating the income tax departments is a strong foundation for conducting extensive fraudulent operations. Noisy scandals caused by failure to pay their taxes by industrialists, movie stars, and political figures are daily occurrences in any capitalist country and so is, incidentally, the exposure of black marketers.

Meanwhile, at home, we have heard more than enough that the moment the USSR joins the market, the domestic black market will vanish. And we, naive that we are, believe this, even though, according to foreign specialists, the share of that same second economy in today's capitalist countries accounts for at least 15 percent of the volume of output (excluding the "unaccountable" drug business).

Finally, the fourth kind of financial war is economic subversion, as clearly demonstrated by the case of

Poland. In the 1970s, that country was expertly led down a stream of economic deals. So much so that, after 5 to 6 years of "mutual interest," its foreign debt, initially $18 billion, quickly increased by a factor of 1.5!

The mechanism of economic subversion was quite simple. In the initial stage of the operations, the Western partners opened in Poland enterprises, giving their assurances that they would take as payment the goods such enterprises produced. At the second stage... the partners refused to accept the goods! This hindered sales, and the Polish foreign currency debt went up for, consistent with the first stage of the action, deliveries of raw materials, equipment, and spare parts from the West continued! This marked the beginning of a literal plunder. Furthermore, the Western businessmen sharply raised their interest rates on past and present loans. At that point, the Polish debt already increased automatically. In order to ensure total success, forces were needed within the country capable of drastically curtailing the already scant Polish exports to the West. According to the laws of financial warfare, naturally, such forces were found within Poland. The whole operation was conducted quite efficiently!

The most interesting part of this scenario was as follows: after the forces of "progress" had done their job and even came to power, the West did not forgive their debt in recognition for their services.

At this point someone may object: Poland may have been unable to produce goods competitive in the West, for which it should blame only itself; the main culprit for the collapse of the Polish economy, naturally, was socialism which, in general, cannot organize an efficient economy and efficient production. However much this system may be helped, it remains ineffective. Such objections may have been acceptable but for one circumstance which is well-known to Western political experts yet is totally unmentioned in our country. As early as 1972, the Western special services had formulated a plan for financial warfare against Poland, code-named "Halax-5." Its creators were noted political experts, such as Zbigniew Brzezinski and Richard Pipes. Pipes who, under Reagan, headed the communist countries desk of the Department of State, said: "The strong should not fear. Let the weak fear." There is your "peace dove." The moment Reagan entered the White House, a minimum of three scenarios were drafted for the destabilization of Poland. Neither Brzezinski nor Pipes concealed this. As to the version that in 1981 Poland was unable to cope by itself with its difficulties, they classified it "bait for idiots." Scientific pride allowed neither Brzezinski nor Pipes (Pipes in particular, nicknamed "Lucky Richey" for his headlong career as a "Sovietologist," and criticized by his State Department colleagues for conceit and garrulousness) to conceal their authorship of the events in Poland.

Nonetheless, amazingly, why is it that, ignoring the realities, our reformers are unshakably convinced that "the West will help us," for the supporters of "their way of life" should also be familiar with "their mores?"

This is not the place for describing the full typology of financial wars. We deem it important to stress that such wars exist and are being waged ceaselessly, from the time of ancient Phoenicia to this day.

Theater of Military Operations

Now as to the main feature. What kind of financial war could be waged on USSR territory? Is it possible, who could wage it, and how efficiently could it be waged?

Let us immediately say that its potential efficiency would be tremendous! And also that our country is ideal from the viewpoint of those who would like to wage a "monetary" war. It is ideal, for its is rich, confused, and naive and, therefore, absolutely helpless.

Let us analyze this in somewhat greater detail. The question is: who could wage a financial war on the USSR? Our answer is, anyone. Anyone with a few billion dollars at his disposal, and who could open just one single bank on Soviet territory (albeit with Soviet figureheads). The strategy may be simple but, nonetheless, how is it being applied?

A starting capital of several billion dollars is generated on a short- term basis. This is followed by opening a bank on Soviet territory (desirably through figureheads). Then, some of the funds are exchanged for rubles at the rate of X rubles to the dollar (currently, on the black market, this X equals approximately 20 rubles). That share is then thrown into the internal market of the state against which the financial war is being waged. In our case, this would be the USSR. The response to this is a nonlinear inflation, something which is quite important. Nonlinear inflation means, essentially, that goods are depreciated not in strict proportion to the growth of the monetary mass but under circumstances marked by financial instability, in which proportions are violated much faster. Therefore, the dollar will now be exchanged at an even higher rate (let us say not 20 but 30 rubles to the dollar). But that is not all.

The second part of the starting capital (remember that one) is exchanged for rubles at the new rate. The result? The result is that some of the starting capital "appears" to have been wasted "on nothing." However, it only "appears" to have been, for the "initial" money has already been repaid with interest, for the second part of the capital was used to purchase rubles at a considerably better rate. This is because the first part of the money met its tactical assignment: it lowered the rate of exchange of the ruble. In this case, everything works according to specific rules: the extent of the instability of the ruble and the volume of the initial capital, for if the capital is small, most of it is used to lower the rate of exchange, which is unprofitable.

Unquestionably, we would very much have liked to provide perhaps a simple mathematical model of the

process. Unfortunately, this does not fit the format of a newspaper article.... Let us assure you of one thing though: to speculate in currency is a difficult business. It takes brains!

But let us go on. What if the depreciation rate is fivefold? A superinflation is guaranteed! This is something which, with an economy such as ours, is quite possible, for the USSR is the country of miracles. Some goods, mainly raw materials, are being sold here at prices substantially below global levels. Let us take petroleum as an example. The world price of petroleum is about $100 per ton. Our domestic price is 60... rubles (those same wooden rubles with an exchange rate of 20 to the dollar) for that same ton. In other words it is... $3! How could such a country avoid being ruined? Take the raw material, destabilize the ruble, and take again. This makes excellent business!

An even more dashing way is possible. It is not mandatory to exchange dollars for rubles. One could also import scarce and prestigious goods, such as computers or clothes. What matters is for the prices of such items to be insanely increased. Meanwhile, export raw materials the prices of which have been equally insanely reduced. And hit, hit, and hit again this already wooden ruble. Splinter it, and then nobly allocate a few crumbs of your superprofits for "humanitarian aid."

That is precisely how superprofits are earned or, in simpler terms, that is precisely the way the financial war is quietly "rumbling on."

According to our computations, with a starting capital of $10 billion, the financial battle against the USSR would show a profitability of some 200 percent annually. With such profits, "sponsors" would be found quite rapidly. We assume that they will be mostly "private." They would be working not for the overthrow of the social system but strictly for profit. If the system happens to collapse, so much the better, for a new system would more than compensate for any "losses." In a word, the possibilities are endless! And, apparently, so are the offers. There already are candidates, judging by latest financial exposures. The same conclusions have been drawn by experts of the USSR Foreign Trade Bank and the USSR MVD. It is their assumption that a system of uncontrollable secret deals to purchase foreign exchange with rubles has already become organized in the country. It is functioning by circumventing the existing laws according to which such deals are allowed only at auctions held at the USSR Foreign Economic Bank!

Here is a detail: we do not know where the blow will come from, whether from Austria, Switzerland or the Netherlands. We know something else: it will hit, most likely, at the state structures. It will be much smarter and more complex. The fact that it will occur is something we forecast with a high extent of likelihood. This exhausts the potential of our predictions. If Prime Minister Pavlov knows who will deal this financial blow and its place of origin, it means that he is earning his pay and is defending our statehood, for which reason we can relax. We are terrified for other reasons. What if there is no one to block such blows; or else, the fact that they may come from different sides and with different force. At that point, the initiators of the financial war against the USSR would obtain "results" which they would personally find undesirable, for if Europe, the United States, the private corporations, the drug business, and our own, so to say, Islamic world begin to wage their own wars, the sum of such wars would have an impact worse than a thermonuclear catastrophe, for Europe, the United States, and others. Therefore, we must be very realistic. In this case Pavlov is right. We must become realists: better late than never.

Incidentally, here is a question to Pavlov himself. Is it not time to create in our country a powerful centralized system of currency-customs control, which would follow not only the movement of goods across the border but also the corresponding receipt of foreign exchange for such goods on the basis of customs data? Currently no such system exists. There is experience, however, as people in our country like to say, developed by the "civilized countries," France in particular, in the 1970s. Because of the financial problems experienced by that country, multiple foreign currency restrictions were introduced. For there is indeed something to learn from the West, such as the creation of uniform centralized currency-customs control authorities, and the development of standard electronic systems for tracing foreign exchange operations. This, incidentally, could entirely adequately replace a huge branch of the State Committee for Statistics. A great many things could be done, providing that it is not too late.

The Nymph Will Emerge Later

At this point we hope that the reader is ready to accept the essentially sensational statement by Prime Minister Pavlov on an entirely conscious level. Let us look and analyze matters together: what lies beyond the words of the prime minister: a bluff, fantasy or some kind of reality? Let us begin this part of our discussion with a simple Chinese fable, which states that if you want the nymph to come out of the swamp, keep throwing more rocks into it. First, there will be splashes; the frogs will start croaking deafeningly. Then, there will be once again quiet and, after a while, the nymph itself will come out of the water....

The story of the Pavlov interview followed that fable. At first there was a deafening noise made by the West and splashes of political mud. Then there was calm!... After a while, however, the West began seriously to talk about a financial war. The fact that the West started talking is praiseworthy. For in our country, as in the past, this topic remained "taboo." The moment something touches on problems of state security, there is immediately indignation: a return to "cold war" times is suspected. But does such pitting of the country's security against a "cold war" have any substance?

We followed the "the prime minister's sensation" from its inception to the present, and became convinced that there should be no taboo imposed on any whatsoever sensitive topic. What took place in relation to the "sensation?"

Our press immediately reacted to the publication with the tremendous amount of negative reactions to this interview on the part of Western politicians and economists. Excerpts from Western sources literally shrieked that the charges were fictitious and that Pavlov's views on financial warfare were groundless. Such unanimity of Western opinion amazed us. Usually, Western societies are not distinguished by standardized ways of thinking. We decided to see whether the entire Western press was indeed all that "monotone" in this case. Our suspicions were confirmed. In fact, the Western press abounds with reports which assess entirely differently the Pavlov interview, compared to the information quoted in our press. We shall provide excerpts form "a different series."

Thus, in its 15 February 1991 issue, the American newspaper JOURNAL OF COMMERCE, published an article by Michael Leleveld, according to which Pavlov's accusations "have definite grounds." We quote further:

"... Importer Eugene Milos, president of the American Exporters and Importers Association, said last Thursday that 2 months ago he was invited to participate in a deal involving the Dove Trading Company. He was assured that he would be able to purchase rubles at the rate of 6-7 cents to the ruble... by presenting a letter of guarantee that he would use that money on the Soviet market. Such a deal was entirely consistent with Pavlov's charges that Western banks are purchasing rubles at low rates in order to acquire Soviet enterprises for a pittance, once privatization had started."

"Rumors were spread that Soviet businessmen are taking rubles to Western Europe, exchanging them for dollars and German marks at the high rate of 50:1. According to Roger Robinson, a reputable Washington expert in international banking, there have been reports that Soviet dealers in medical equipment are transferring large quantities of rubles to Western European banking centers.... In huge amounts. According to Robinson, it is entirely likely that, statements to the contrary notwithstanding, some banks have accumulated large amounts of rubles for future use, and that speculating in rubles may be possible."

"... The question is, is the amount of such currency sufficient to justify Pavlov's reaction or fear of conspiracy.... Unquestionably, it would be much more sensible to try to understand the reasons for his stormy reaction than simply call him an 'idiot'...."

"... From the viewpoint of the Soviets, one can easily imagine the connection between a Russian ruble deal and the political objectives of Russian politicians who are opposing Gorbachev. Whatever your opponent may do it is always bad."

"... Robinson also believes possible making large number of deals, more than we suspect, involving rubles. He refers to the assessments according to which, before the war started, Saddam Hussein had spent in the West $50 billion on military equipment; yet only $4-5 billion were known to have been spent. If similar errors have been made in our own estimates, we could only ask ourselves whether Pavlov has a reason to fear something...."

It turns out that such viewpoints are being published in the Western press. Unquestionably, we can learn from such newspapers significant facts, above all that there have been changes in the exchange rate which is steadily growing and that this growth is governable. In particular, the change in the rate from 16 to 50 is a fact which is immeasurably more important to our society than all the debates between conservatives and democrats, between the center and the RSFSR, and between communists and anticommunists, for this figure is an indicator of the catastrophe which will befall upon all of us other than, perhaps, an insignificant population minority. Tensely following all of this, let us point out, once again, that we are not defending the prime minister from the left-wing press or Gorbachev from Yeltsin or communists from democrats, but the state, from an inevitable catastrophe.

Who could be the "sponsor" of a governmental collapse? The power of the mafia in the USSR has been confirmed by numerous studies. This has been mentioned by both democrats and conservatives. Furthermore, crime specialists (and not only Soviet) do not reject the thought that such a strong mafia has international connections, including those oriented toward the global drug business. It is that same drug business which President Bush mercilessly routed in Panama, under the applause of the world public. No violations of human rights were (justifiably) seen by anyone in this decision, for the international criminal society has its own political objectives which are so dirty and despicable that Bush had no right to let the drug business to strengthen its positions in the immediate vicinity of the U.S. border. This criminal society is anti-American, antiliberal, and antidemocratic. Always and everywhere it is criminal and destructive.

In predicting a mafia variant of the financial war, we could not even imagine the extent to which our theoretical projection were soon to be confirmed by political practice.

Commanders and Their Armies

Let us once again turn to the democratic press. The SUNDAY TIMES published an article by John Davison, on the "laundering" of narcodollars in the USSR. It has quite interesting passages:

"... According to the Swiss police, the scandal which has broken out in the Soviet Union in connection with the exchange of 140 billion rubles was related to the 'money laundering' for the Medellin Cartel of drug trafiquers. They (the Swiss police—author) are referring to another deal related to large amounts of rubles, discovered in

December, in which a clear link with the Colombian 'drug barons' can be traced, the consequence of which provided increasing proof that the USSR is becoming one of the centers for the activities of the drug merchants and of those engaged in 'money laundering.'... This deal was followed by staggering claims made last week by Soviet Prime Minister Valentin Pavlov, to the effect that Western banks had attempted to mount an 'economic coup d'etat.' Disclaimers were voiced by supporters of the president of the Russian Federation, Boris Yeltsin, who claimed that the exposure of this deal was a conspiracy on the part of the KGB...."

"... In Switzerland, where the deal was to be secured, high-ranking police circles are convinced that, in the final account, the tracks will lead to the cartel of the drug traffickers. 'We believe that this deal involves money obtained for the benefit of the drug business, including money of the Medellin Cartel, and that this was part of a vast system for the laundering of dirty money, currently operating in the Soviet Union,' said a Swiss official who is the liaison with the American Drug Enforcement Administration."

"... The Soviet Union is the 'Wild West' in the drug-business world. The local police (the militia—author) is weak. It is poorly equipped and frequently corrupt, and the local mafia is powerful and has good contacts with corrupt elements in the KGB and other organs."

"... The Soviet Union could be considered a paradise for money launderers, for no one there would refuse any 'narcodollars' or any other dollars."

"A highly placed official in the Geneva anti-fraud agency also said that he believes that 'narcodollars' are as involved in the ruble deal as in other 'dirty money' deals. As the official reported, in the past few months queries have been received from a number of European countries, including Germany, the Netherlands and Belgium concerning other suspicious operations which also involved rubles."

"... In December, based on DEA information, the Swiss police took steps to investigate a deal which had to be concluded in Geneva, believed to involve a money laundering operation for the Medellin cartel. The individuals suspected in this case admitted that they had been discussing the exchange of a large amount of foreign currency. It was a question of 70 billion rubles. Three weeks into the trial, however, the judge ordered the release of said individuals. 'I simply could not believe that anyone of sound mind would exchange narcodollars for unspendable rubles. Since it would have been impossible to convince the jury of this fact, I had to dismiss it,' said Jean-Pierre Trenblay, senior justice of the peace. However, the events of last week made him reconsider his decision. 'If a policeman would come to me with new proof I could quickly reopen the case,' he added."

"The Kremlin as well realizes that foreign investments could be used to launder dirty money. A government expert said last week that the long period of isolation of that country from the West means that it does not know how to react to such activities. He admitted that that country is an attractive place for laundering money."

The reason we quoted this lengthy excerpt is that this topic raises the entire matter mentioned by Pavlov to a qualitatively new geopolitical level, in the literal meaning of the term.

Let us assume that the main character operating on Soviet territory is the Medellin cartel. Let us also note that we are not the only ones to make this assumption. We believe that this cartel is only one of the characters in the play. However, it is quite an important one. Let us further assume that forces sponsored by this cartel may come to power in the USSR as a result of the most acute political struggle currently being waged in the country. Once again, this hypothesis was not formulated by us but by those who linked the Filshin affair to the Medellin cartel, i.e., high-ranking Swiss policemen. Who would then be backing those who, raising very democratic slogans, would replace M.S. Gorbachev, whose policy has been described as being both "dictatorial" and "antipeople's?" Would it be democrats or the Medellin cartel?

Let us now consider what the advent of a protege of the Medellin cartel to power on one-sixth of the globe, in a country with thermonuclear weapons, would mean. And also what this would mean not only for the USSR but also for the United States, Great Britain, France, Germany, and Japan.

To realize what this would mean one must know something about that same Medellin cartel. We know that the governments of said countries have complete information about it. To the Soviet person, however, who is now making world history, the Medellin cartel means nothing more than "financial war." This makes an explanation necessary.

Who Is the Head Nymph

The Medellin cartel is one of the pillars of the international drug traffic. The latter includes the American Cosa Nostra and the mafias in Italy, Kenya, Turkey, and Japan ("Yakudza"), that of Hong Kong, and the "Golden Triangle" of Southeast Asia. The heart of the drug empire, according to Western specialists, is the Swiss banks in which laundered narcodollars are stored. The backbone of this structure is the alliance between the American (New York) and Sicilian (Palermo) mafias. The peripheral metastases are Colombia and the Golden Triangle, in which the drug mafia is trying to create its own country. It is precisely this plan for a "statified mafia" that we discuss in our book "*Post-Perestroyka*," as one of the possible scenarios in the development of the situation in the USSR.

The Colombian Medellin cartel accounts for 80 percent of the cocaine smuggled into the United States, worth between $50 and $100 billion annually. This process

began to develop particularly intensively as of the end of 1985, when an inexpensive but powerful variety of cocaine, known as "crack" was developed. The American press wrote that "drug addicts in the United States become literally insane from the use of crack; however, equally insane have become the merchants as a result of this flood of huge profits."

The Medellin cartel brings into the United States and Western Europe not only drugs related to cocaine. U.S. DEA personnel have pointed out that the amount of marijuana grown in Colombia is "in general incalculable."

The book by James Mills on the Medellin cartel and other drug syndicates came out in 1986 in the United States. It was entitled "*The Clandestine Empire in Which Crime and Government Merge.*" According to Mills, narcodollars laundered as a result of the criminal operations of the Medellin cartel find their way essentially in the biggest multinational banks such as the Morgan Guarantee Trust, Chase Manhattan, Swiss Bank Corporation, and Bankers Trust, and the Merrill Lynch and E.F. Hutton brokerage houses.

Connections between bankers and the drug mafia have been pointed out also as a result of the investigations made by a special working group which was set up in the United States in 1982, and which was headed by George Bush, who was then vice president. This group traced the links between 40 U.S. banks and Medellin cartel drug dealers. It is regrettable that investigations initiated at that time did not result in public exposures. Only one of the big banks, the Bank of Boston, was fined. During that period, the American, Colombian, and Italian press noted the connection between the Medellin cartel and the CIA, whose personnel used narcodollars to purchase weapons for the Nicaraguan Contras. As early as 1987, the U.S. press reported that the leaders of the cartel had sent $10 million to that address. However, these same investigators have mentioned the connections between the cartel and the WACL [World Anti-Communist League] and various pro-fascist regimes. Therefore, the cartel is by no means a toy of the CIA but a powerful state with its own army, ideology and politics and, unquestionably, capable of acting also against the United States....

Furthermore, the OBSERVER published an article by John Merrit and (William Nilinship) on proof provided by British entrepreneur Diana Miller, head of a joint British-Soviet enterprise. She claimed to have learned last December that 10 big U.S. companies with close contacts with the White House had acquired substantial funds in rubles. Their intention was to flood the Soviet economy with rubles and thus trigger uncontrollable inflation. According to Diana Miller, she had proof to the effect that Western personalities owned more than 130 billion rubles. Such money was "dispersed" among the Swiss, the Belgians, the Germans, and the Canadians. According to Miller, the amount of rubles abroad is much higher than indicated in official Soviet or Western sources. Miller is convinced that that amount of money "would be sufficient to wreck the Soviet economy."

Many such statements, articles, and projections exist. We have cited them in such detail merely because, for some reason, in general, they are not being published in our country.

Why is this? Allow us to make a "stunning hypothesis." Claiming to be admirers of the West and of Western democracy, when it comes to their awareness our democrats are the children of our Soviet society in terms of mentality, and principle of "party organization and party literature." We, for example, are certain that the radical MOSKOVSKIYE NOVOSTI is as party-oriented as was PRAVDA 10 years ago. It is simply a question of a different party. Even when it comes to most serious matters, no single newspaper can ignore its party affiliation. It is this kind of insurmountable affiliation of "homo Sovieticus" which they so zealously attack, and rightfully so, in their own newspapers.

If we seriously want to learn from the West, we must learn above all not to display excessive party zeal and application and be able to find the courage to put the truth above all else, for the main fault of our society, state, and "common" ideology is to put the party's interests above all else. We have the excessively passionate wish, whatever changes may occur in the political situation, to go on marching "in step," as a single monolith, as we struggle against something.... Essentially, our anthem is only one: "He who is not with us is against us." Yet we are all citizens of a single country. We are all in it and it is the only one we have.

Agriculture

Spring Sowing Off to Poor Start

LD2503134591 Moscow All-Union Radio Mayak Network in Russian 1200 GMT 25 Mar 91

[Report by correposndent Semen Astakhov]

[Excerpt] The end of March is approaching, but large-scale spring work has not yet been properly started on the country's fields, although work is in progress in 11 Union republics. Spring is late. This is further complicating a situation which is already very difficult. You have, of course, already heard and read a lot about the failure to sow large areas of winter crops and to plough winter fallow because of wet weather last autumn. Farmers are not getting the support they need from industry. There is a shortage of machinery, spare parts, fertilizer and petrol. The attitude the towns will take toward the forthcoming harvest is still ambivalent. Therefore, collective and state farms and the burgeoning peasant smallholdings and farms are seeking a solution to the problem. Areas sown to labor-intensive crops like flax, potatoes, and vegetables are being reduced. [passage omitted]

Ministers Assess Spring Preparations

914B0125A Moscow SELSKAYA ZHIZN in Russian 16 Mar 91 p 1

[TASS report: "To Live We Must Sow"]

[Text] A meeting of the USSR Cabinet of Ministers on 14 March examined the course of the fulfillment of the government's rulings on questions of preparations for and conduct of the spring field work. Reports by V.I. Chernoivanov, USSR minister of agriculture and food, and leaders of the governments and ministries of the Union republics in charge of questions of agricultural production were heard.

The speakers stressed that this spring the workers will have to fulfill a significantly larger volume of field work than in previous years in conjunction with the fact that unfavorable conditions last autumn did not permit them to carry out the entire range of agrotechnical measures during that period. It was noted that rulings adopted by the USSR Cabinet of Ministers on issues of material and technical support of the village are being realized for the most part. The enterprises and organizations of the Union ministries and departments have begun to conduct work in a more organized fashion. However, as the discussion showed, many problems connected with the handling of spring efforts are being solved in an unsatisfactory fashion. The organizations and enterprises of the USSR Gossnab [State Committee for Material and Technical Supply], the petrochemical and chemical industry, and agricultural machine-building, which have not provided for the targeted delivery of material and technical resources to the countryside, were subjected to harsh criticism.

The majority of farms of the Ukrainian SSR [Soviet Socialist Republic], Belorussian SSR, Uzbek SSR, and a number of regions of the Russian Federation are more prepared for the sowing than last year. At the same time the poor organization of equipment repair in many kolkhozes and sovkhozes and the unsatisfactory preparation of the seeds is cause for alarm. Only half of the seed stocks of grain crops on the farms of the Russian Federation, Armenia, and Turkmenia have been brought to class I and II sowing conditions. The country as a whole is almost 20 percent short of seed potato, and purchases of seed potato from the population, which have been made in the past, has not been organized. In a number of the Union republics efforts to staff the farms with drivers have been have not been sufficient, particularly those efforts to enlist them from industrial and other enterprises and to attract graduating students from agricultural vocational training schools.

Acknowledging the inadmissibility of delays in the preparation of kolkhozes and sovkhozes for spring field work, the USSR Cabinet of Ministers considered it necessary to take additional measures to improve the supply of enterprises and organizations of the agro- industrial complex with fuel, lubricants, spare parts for tractors and other agricultural equipment, polyethylene film, commercial fertilizers, equipment for protecting plants, and packing materials.

B.I. Chernoivanov, N.A. Pugin, A.N. Ustkachkintsev, N.M. Olshanskiy, P.S. Fedriko, and V.V. Melashchenko, leaders of ministries and departments of the Soviet Union, were given personal instructions to ensure the prompt and aggressive fulfillment of the measures outlined at the meeting of the USSR Cabinet of Ministers.

Statements by representatives of the Union republics to the effect that everything necessary would be done on their side to carry out the spring field work in a timely fashion were noted.

Summing up the results of the discussion, V.S. Pavlov, prime minister of the USSR, emphasized that preparation of the farms for field work is the most immediate and important task. The most important reference point in this should be improvement of the food supply to the population. The government of the country will keep problems of the agro-industrial complex at the center of its attention.

Crop-Spraying Planes Lack Fuel

PM2503141591 Moscow PRAVDA in Russian 23 Mar 91 Second Edition p 1

[Correspondent N. Utkin report under the rubric "We Sound the Alarm": "But the Planes Cannot Fly"]

[Text] Belgorod Oblast—A telephone call. A. Plokhotin, deputy chairman of Belgorod Oblast Agro-Industrial Union, complained:

"We have begun top dressing winter crops. We were relying on the aviators. We had planned to involve 25 aircraft of the local detachment plus around 10 from northern oblasts of the Russian Federation. We had concluded contracts, but we met with utter disappointment. All the planes are laid up: There is no gasoline. We have turned everywhere, even to I. Silayev, chairman of the Russian Soviet Federated Socialist Republic Council of Ministers. In vain. If we leave the winter crops without top dressing, we will have a shortfall of at least five quintals of grain per hectare. And that means tens of thousands of tonnes of wheat."

An alarming report. The mistakes of past years are being repeated: As soon as it is time to sow or harvest, the machines are left without fuel. And still people say that you learn from your mistakes.

Industrial Enterprises Urged To Help Countryside

PM2503135991 Moscow PRAVDA in Russian 22 Mar 91 Second Edition p 1

[A. Platoshkin "Topic of the Day": "The Breadwinner Awaits..."]

[Text] According to experts' forecasts, climatic conditions this year should favor the crops in most parts of the country.

That is some comfort, albeit slight and yet to undergo the test of time. A good forecast, though, does not of course obviate the need for thorough preparations for the spring. What is the situation? Over 20 million hectares of land were not plowed because of the foul fall weather. Around eight million hectares of grain crops have yet to be sown or resown. In short, this year the volume of field work has increased by approximately one-fourth.

It has been difficult to handle this sort of thing in the past. And this year? The sovereignty parade and the breakdown of established economic links are hitting the countryside particularly hard. "Rostselmash," for example, is unable to get out the equipment that is needed in the fields. Its suppliers—enterprises in the Ukraine, the Baltic republics, and other regions—are undersupplying parts and metal.

So far the only result of the campaign for ecologically clean cities is a reduction in supplies of plant protection agents for grain growers. How are the Central Asian vegetable growers going to plan the production and shipment of tomatoes and watermelons if they do not know whether they are going to receive the requisite amount of packaging? More than half a million tractors and trucks are waiting to be overhauled. Plants have failed to supply tens of thousands of these vehicles and other equipment.

Basically, on the eve of the sowing campaign once again we have left the peasants in the mire, to put it crudely. The editorial office has received letters about this from machine operators, specialists, and entire collectives. Letters and appeals on behalf of meetings and conferences. Let us quote one of them that came from the participants of a conference of Rovno Oblast agricultural communists' aktiv. I think it depicts in full the countryside's suffering and grievances. There is a dire shortage of manpower, equipment, machinery, and essential goods. The economy is out of trim because the countryside's fundamental interests are being ignored. Wholesale prices for machinery, fertilizers, materials, and services are rising. As a result farms' profitability is decreasing and there has been a reduction in the construction of production and social facilities and housing. The Rovno agricultural communists are addressing the country's government and the CPSU Central Committee through the newspaper, asking for protection for the peasants. They urge working people at industrial enterprises and construction and transport organizations, all who are in a position to help the countryside, to do so in order to revive and save it.

The center knows what we need, of course. Recently, for example, there was a session of the country's Cabinet of Ministers. A range of questions connected with field work was discussed with representatives of the Union republics. Ministries and departments and the heads of leading enterprises in the sector were instructed to give the countryside every assistance.

Because people are tired of endless promises and political passions and predilections. Fashionable slogans about the rebirth of the countryside, the protection of the peasant, and privatization are widely used by various social currents.

The governments of the country and the republics did a great deal to ensure that we had individually owned farms this very spring and more people running truck gardens and orchards. But does this remove the main question from the agenda: The question of the social and economic situation in the countryside? It is worsening, as we can see.

Evidently, it is much simpler to be generally concerned about the peasantry than to actually do something about it. More often than not people throw a monkey wrench into the works. Last fall the city's assistance for the countryside was essentially blocked, not without the involvement of some local soviets, democrats, and the press. So we had empty shelves despite the unprecedented harvest. And that is not all. Fearing that it could have to handle the harvest by itself, the depopulated countryside is currently reducing the areas sown to grain and potatoes.

The fueling of emotions and the calls for all manner of sharing and redistribution of assistance are disconcerting.

Who would dispute that the agro-industrial complex needs entrepreneurial freedom in the broadest sense. It is not just down to the relevant legal acts and decisions. The establishment of the material and technical base and services costs a great deal of money and takes a great deal of time. To contrast kolkhozes and sovkhozes to the incipient forms of management is to deliberately sow enmity when there are no grounds for it. Anyway, public-sector farms are going to be the main providers for a long time yet.

Accelerating the implementation of the land reform by political methods will, in the opinion of many scientists, be even more prejudicial to the country and to society than the forcible collectivization of the countryside. Soviets, which now have representatives of many public forces and groupings on them, must care for the peasantry and ensure it gets every support. Particularly in ensuring the successful completion of spring sowing. If we fail to cope with this we really will bring the country closer to a real threat of starvation. Political ambitions and parochial interests must take a back seat when we face that kind of danger.

Talk as we may about benefiting the countryside and society as a whole, the main question remains open: Will we provide the people with bread? Will we at last break the infamous rule that the bigger the harvest, the worse the supplies? I would like to believe so. The sowing

campaign is the point where decisions and words should take on the shape of concrete action.

Scientific

Soyuz Redocking Completed Successfully

LD2603135891 Moscow TASS International Service in Russian 1320 GMT 26 Mar 91

[By TASS correspondent Rena Kuznetsova]

[Text] Moscow, 26 Mar (TASS)—This TASS correspondent was informed at the flight control center that this afternoon the redocking of the Soyuz TM-11 spaceship from the docking unit of the main module to the one located on the Kvant astrophysical module, where cargo craft usually dock, was carried out successfully.

To be able to do this the Soviet cosmonauts Viktor Afanasyev and Musa Manarov, who have been working on the Mir orbital complex for nearly four months, left the station for a while and moved into the Soyuz TM-11 craft. They flew around the entire complex, and then approached Kvant in automatic mode.

It was important for the crew to establish the fault, as a result of which the Progress TM-7 cargo automatic craft failed to dock twice—21 and 23 March. Progress was launched on 19 March.

Experts note that all redocking operations were successful. The docking of the Progress TM-7 with the Mir complex is to take place on 28 March.

Photothermal Reactor Developed in USSR

LD2103134191 Moscow TASS in English 1212 GMT 21 Mar 91

[By TASS correspondent Veronika Romanenkova]

[Text] Moscow March 21 TASS—Moscow inventor Aleksandr Presnyakov, 79, have found a new way to generate electricity and produce ecologically safe energy.

His photothermal reactor uses the energy of connections between gas molecules.

Each molecule of nitrogen, chlorine, oxygen and hydrogen contains two atoms. Under powerful electric fields, solar radiation or high temperatures their molecules disintegrate into separate atoms (monoatoms).

As soon as these fields discontinue their action, atoms immediately fuse into pairs, forming the original molecules and releasing energy.

The reactor transforms solar energy into high thermal energy. Presnyakov calls this process a unique "spring of the nature."

Cycles of the spring's "extention" and "compression" can repeat themselves infinitely, emitting harmless radiation.

Under solar radiation, cosmic rays and high-energy particles in higher atmospheric layers, gases disintegrate into ions—charged particles.

Catalysts can accelerate the synthesis of gas molecules with high power efficiency, which can be used for future ionospheric transport means.

Military

SAM Warheads Explode at Base Near Moscow

PM2503172191 Moscow IZVESTIYA in Russian 26 Mar 91 Union Edition p 6

[Report by V. Litovkin: "What Was It That Exploded In Chernogolovka?"]

[Text] The telephone started ringing continuously in the editorial office early in the morning of Monday 24 [as published] March: Anxious inhabitants of the Moscow Oblast settlement of Chernogolovka, which is in Noginskiy Rayon, were reporting a powerful explosion there on Friday 22 March. Windows had been smashed in many houses and some structures had been destroyed.

One can appreciate people's anxiety. After all, there are scientific and technical institutes and defense complex enterprises in the settlement, as well as military facilities. Clear, reliable, and, above all, prompt information could have prevented perplexed questions and even panic.

Unfortunately, however, obtaining the information turned out to be extremely difficult. At the air defense command center they said they knew nothing about it. The civil defense forces duty officer, in turn, claimed that the explosion had occurred on the territory of an air defense unit. Air Defense Commander in Chief Army General I. Tretyak advised me to contact the USSR Defense Ministry Press Center, where all information is sent.

We did not manage to get through to the press center right away. Eventually, they told us that the explosion took place on a truck-trailer at a military depot, where surface-to-air missile warheads were being unloaded. One of the warheads exploded. The explosion detonated the other 39 warheads. They were all conventional warheads, so there is no danger of radioactive contamination of locality or people.

Ye. Borisov, deputy chairman of the Chernogolovka settlement soviet, was no more specific.

"The destruction was not great, anyway, and only one person is missing—the sentry who was guarding the depot." And his advice was to contact the...rayon KGB.

We did not have time to phone there. So this is the only information we have to set the minds of the inhabitants of Chernogolovka, Noginskiy Rayon, at rest.

Over 500,000 Weapons Confiscated in 1990-91

LD2503210991 Moscow TASS in English 1955 GMT 25 Mar 91

[By TASS correspondent Oleg Moskovskiy]

[Text] Moscow March 25 TASS—Over 513,000 weapons have been handed over to Soviet military units in 1990-1991, Mikhail Kolesnikov, chief of the main Army headquarters, told a briefing today.

The briefing and an exhibition of weapons confiscated from extremists in some regions of the country were held in a military unit in Moscow.

Kolesnikov noted that over "440,000 weapons have been handed over to the armed forces by military services that guard various facilities and organisations, by the Soviet society for cooperation with the Armed Forces and military departments at schools".

"Over 73,000 weapons have been confiscated by the militia and Soviet Interior Ministry troops in the Baltics, Transcaucasia and Central Asia," Kolesnikov said.

He added that "about 70 per cent of the total confiscated weapons were stolen by extremists from arms depots and servicemen".

Among the exhibits were various Soviet and foreign small arms made during the Second World War, as well as weapons used in the Army and stolen from depots or smuggled, ammunition and explosives.

Kolesnikov said that weapons were confiscated from armed units in accordance with the presidential decree of July 25, 1990.

He stressed that law-enforcement bodies were concerned about the fact "that nationalistic circles, particularly in Transcaucasia, have openly started making weapons at state enterprises on a mass scale".

Some weapons were fired in a shooting gallery to show to journalists their fighting efficiency.

Army Party Conference Preparations Under Way

PM2203114091 Moscow PRAVDA in Russian 21 Mar 91 Second Edition p 3

[TASS report under the "Official" rubric: "All-Army Party Conference"]

[Text] At the CPSU Central Committee, a coordinating committee session chaired by Central Committee Secretary Yu.A. Manayenkov took place, at which practical questions connected with organizing the 29-30 March All-Army Party Conference in Moscow were examined. Colonel General N.I. Shlyaga, chief of the USSR Armed Forces Main Military-Political Directorate, delivered a report. Ye.N. Makhov, acting chairman of the CPSU Central Control Commission, and representatives from the forces' party organizations participated in the discussions.

Various Army Party Conferences Held

Ground Forces Meet

PM2203114491 Moscow PRAVDA in Russian 21 Mar 91 Second Edition p 3

[TASS report under the "Official" rubric: "Conference Held"]

[Text] A party conference of the central apparatus, institutions, and units directly subordinate to the Ground Forces commander in chief has taken place.

The report by Colonel General N.A. Moiseyev, member of the CPSU Central Committee, leader of the All-Army Coordination Committee group for reforming party structures, and chief of the Ground Forces Military-Political Directorate, and speeches by Army General V.I. Varennikov, commander in chief of the Ground Forces, and other delegates, contained many constructive suggestions for consolidating party ranks and seeking methods of active work on the part of party organizations and committees under the new conditions.

A party committee, headed by Colonel N.I. Voronov, was elected at the conference.

V.A. Kuptsov, CPSU Central Committee secretary, participated in the work of the conference and addressed the delegates.

Western Group of Forces Meets

PM2603100991 Moscow KRASNAYA ZVEZDA in Russian 22 Mar 91 First Edition p 2

[Article by Colonel A. Vasilets under the "Party Conferences" rubric: "Taking the Realities of Life Into Account"]

[Text] What do people expect from communists? I would not err if I said: first and foremost an honest analysis of the sociopolitical situation in the country and tried-and-tested, comprehensible guidelines for the future.

It may be said unambiguously: The recent party conference of the Western Group of Forces lived up to those expectations. Both the report of Lieutenant General V. Grebenyuk, chief of the group's Military Political Directorate, and the speeches of the majority of delegates contained answers to life's most urgent questions: the arrangement of political forces and their aims, what CPSU party organizations are going to fight for, and which moral positions to defend.

The conference noted that the separatist aspirations of some so-called democratic leaders are aimed at destroying the state and social structures which are objectively working for consolidation. That is why those structures are being subjected to massive attacks. That applies primarily to the CPSU and the Army.

The psychological and moral pressure, delegates said, has caused a certain confusion in a number of army party organizations. In this period there has been a slackening of work within the party and communists' influence in military collectives has declined which in turn has led to a definite fall in party members' authority among servicemen and has created turmoil and confusion.

The conference was keenly critical of such party organizations.

The speech by Colonel General M. Burlakov, commander in chief of the Western Group of Forces, was noteworthy in this regard. His speech stressed that it is necessary to enhance communists' role in strengthening military discipline and uniting multinational collectives. The group has all conditions for fulfilling the demands of the USSR president and the defense minister on preventing violations of military discipline and manifestations of nonregulation relations between servicemen. Broad glasnost, criticism, and self-criticism and the personal example of modesty and a sound life style are all qualities which communists are obliged to display.

The conference was addressed by CPSU Central Committee Secretary O. Baklanov. He noted that recent events have shown that the political chicanery is coming to an end. Many political leaders have removed their masks and shown their true selves. The people have seen that in the power struggle the so-called democrats are gambling with the most precious things that we have—our statehood, our integrity, peace and tranquillity in our families, the well-being of our children, and order in our cities and villages. The CPSU, which is consolidating and strengthening itself, is making maximum effort to preserve our statehood and our socialist system.

Speaking about Armed Forces' problems, the CPSU Central Committee secretary stressed that the Army is enduring the same tests as the party. It has been through a period of similar all-out attacks and attempts to demoralize it and destroy it from within. All Army structures and components, from privates to generals and from defense production to military units, have come under attack. The Army has withstood these trials.

In addition to specific tasks, delegates said, army party organizations also face a great moral and ideological task. They, like the organizational structures of the entire party, must again serve to channel into society the energy of social justice, the energy of fraternity, and the energy of progress and development. The main task which party committees must tackle today is to create a healthy, normal atmosphere in subunits. They must not let people sink into depression and must vigorously oppose the all-out attacks which are being mounted by certain destructive forces against military ethics and the Army's foundations and philosophical positions.

Strategic Rocket Forces Meet

PM2603090191 Moscow PRAVDA in Russian 22 Mar 91 Second Edition p 2

[TASS report: "Conference Held"]

[Text] A conference of the Strategic Rocket Forces' CPSU organization has been held. Delegates focused attention on the further enhancement of the forces' combat readiness and the moral and psychological tempering of the missile troops. There was a detailed discussion of the current role of party organizations and all communists in the improvement of party organization and ideological work in the forces.

O.D. Baklanov, secretary of the CPSU Central Committee; Ye.N. Makhov, acting chairman of the CPSU Central Control Commission, and Colonel General G.A. Stefanovskiy, deputy chief of the USSR Armed Forces Main Political Directorate, participated in and addressed the conference.

Baltic Republics

Western 'Well-Wishers' 'Hampering' Perestroyka

LD2503173391 Moscow TASS in English 1708 GMT 25 Mar 91

[By TASS international observer Albert Balebanov]

[Text] Moscow March 25 TASS—The Baltic Council, meeting last week in the resort city of Yurmala, endorsed the Lithuanian proposal to call on participants in the CSCE to develop measures, which could help settle "within the framework of international laws" the problem of independence of the Soviet Baltic republics and organise an international conference on the "Baltic issue".

The decision aims to internationalise a strictly internal issue and expedite the republic's secession from the Union in violation of the constitutional process through outside pressure on the Union government.

The move is highlighted by the West's open encouragement of separatist sentiments prevailing among Lithuanian, Latvian and Estonian leaders.

Prominent Western figures often visit the region and meet with Baltic representatives in Moscow.

Last weekend, former U.S. President Richard Nixon on a private visit to the Soviet Union publicly supported Lithuanian independence when he was in Vilnius.

Last week, the U.S. Senate Committee on Foreign Affairs passed a resolution, demanding that President Bush open U.S. representatives at the request of any of the Baltic republics to ease diplomatic relations with them, provide technical assistance and implement cultural exchanges and other bilateral programmes.

By playing up to separatists, Western "well-wishers", who assure Moscow of their support for Soviet perestroika, render a disservice to President Mikhail Gorbachev, hampering his reform efforts.

They are literally breaking through an open door, calling on the Soviet Government to hold talks with the governments in the Baltic republics on their future status.

Moscow is open to dialogue. In accordance with Gorbachev's decree, three government teams have been set up for talks with each of the Baltic republics.

Unfortunately, the Governments of Lithuania, Latvia and Estonia obstruct practically every positive step taken by Moscow.

The divorce with republics willing to secede the Union should go only within the constitutional framework, President Mikhail Gorbachev said in an interview with the German DER SPIEGEL magazine.

Everyone, who stand on democratic positions, should first find out what the people want—hold a referendum, instead of public opinion polls. If the people of a republic support secession from the Union, a five-year procedure envisaged by Soviet laws will begin.

According to Western press reports it takes at least 10 years to secede from a Western federation.

Democracy presupposes respect for human rights and strict compliance with laws. Unfortunately, current leaders in Lithuania, Latvia and Estonia have demonstrated neither. This is one of the key reasons why the Baltic crisis has not been settled.

Estonia's Ruutel To Meet Bush in Washington

LD2503133491 Tallinn Domestic Service in Estonian 1300 GMT 25 Mar 91

[Text] We will begin with a piece of news from the BALTIC NEWS SERVICE agency.

Arnold Ruutel, chairman of the Republic of Estonia Supreme Soviet, will meet U.S. President George Bush in Washington on Thursday or Friday, with the aim on the Estonian side to take the Baltic issue out into the international arena. Arnold Ruutel will fly to Washington on Wednesday evening, via Helsinki, and will return on the weekend. Lennart Meri, foreign minister, together with two Foreign Ministry councillors, departed for the United States on Sunday to prepare for the visit.

At the meeting with George Bush, Arnold Ruutel will hand to the U.S. President the appeal of the Baltic Council adopted last week to convene an international conference to seek a solution to the Baltic issue. This is what a BALTIC NEWS SERVICE correspondent was told by Raul Malk, deputy chairman of the secretariat of the chairman of the Republic of Estonia Supreme Soviet. According to the head of the information bureau of the Foreign Ministry, the Baltic countries still hold the position that economic assistance rendered to the USSR should depend directly on the situation in the Baltics. In an interview with the BALTIC NEWS SERVICE, Rihol Laanemae, head of the information bureau of the Republic of Estonia Foreign Ministry, said that this position will also be presented to George Bush.

Arnold Ruutel is the only chairman of the three Baltic states who has not yet met President Bush.

Latvia Mourns Stalin 'Victims' Anniversary

LD2503172691 Moscow All-Union Radio First Program Radio-1 Network in Russian 1600 GMT 25 Mar 91

[Text] In Latvia, the flags are at half-mast today and candles have been lit. It is a day in memory of the victims of Stalinism. Forty-two years ago, on 25 March 1949, tens of thousands of innocent people, mostly peasants, were torn from their farms and resettled in various oblasts of Siberia.

As early as yesterday there were funeral meetings and evenings of remembrance in towns and settlements and at the train stations from which the road of suffering began.

This evening at the Bratskoye Cemetery in Riga there will be a meeting attended by many thousands of people in memory of the victims of Stalinism.

Lithuanian Leaders Hold News Conference 25 Mar

LD2503232391

[Editorial Report] Vilnius Radio Vilnius in Lithuanian at 1410 GMT on 25 March broadcasts during the "Government Studio" program a 50-minute recording of a news conference chaired by Lithuanian Supreme Council press representative Audrius Azubalis, with Lithuanian Supreme Council Chairman Vytautas Landsbergis and Deputy Chairman Ceslovas Stankevicius. The anouncer notes that the news conference took place at 1200 GMT on 25 March.

Azubalis then introduces Stankevicius, who says: "Hello, ladies and gentlemen and esteemed journalists. I would like to review somewhat the present situation with respect to negotiations with the Soviet Union, and initially to note certain facts known by you which are significant in the renewal of negotiations. To date perpetrators are not being punished, are maintained in Lithuania by the USSR Government, and are thus encouraged to conduct their criminal activity. Violent actions are perpetrated by the armed units of the USSR Ministry of Internal Affairs, OMON [Special Purpose Militia Detachments], and others. The USSR-designated Procurator Petrauskas has also become actively involved in these actions. The rude violations of the rights of Lithuanian radio and television journalists—and by the same token the rights of Lithuanian citizens—to obtain information still exist.

"The USSR Government's promises not to use armed pressure in solving the problem of USSR-Lithuanian relations are to date not confirmed by practical steps. All this can be assessed as disregard for Lithuanian Government authority and furthermore as an attempt against it, if we recall the arrest of deputies and the attacks and shots being fired against customs and public order officials.

"Thus, in comparison with the middle of December—when negotiations consultations were broken off by the Soviet side when it first rescheduled those consultations to another date and later broke them off and began to use armed force—the renewal of negotiations is linked with the reinstatement of the previous situation. That is self-evident, and I spoke about this with USSR Deputy Premier Doguzhyev on 27 February, and he agreed with all that was put before him and promised to take measures to bring about a change in the situation.

"We regret the fact that all that is happening here is discrediting the USSR Government, and we think it is in the interests of the USSR Government and in our own interests as well to make a positive change in the situation. For this reason the meeting to be held tomorrow can be useful and may perhaps yield or find some concrete—may give a specific—solution, a specific clarity, with respect to how one could as soon as possible create the conditions necessary for negotiations and begin them.

"Regret must also be expressed over the continuing use of pressure by force, which is detrimental to the establishment of good-neighborly relations between Lithuania and the Soviet Union, in which Lithuania is interested and which she seeks—and we hope that the Soviet Union is also interested in this.

"We would like the negotiations to be conducted in an atmosphere of goodwill and trust and cannot imagine how they could be conducted against a backdrop of armored vehicles and automatic weapons. For this reason, tomorrow we will urge the USSR Government to return as soon as possible to negotiations—to negotiation meetings—having discontinued the use of armed force, as was the case until the middle of December. The matter is evident, self-evident, because otherwise the negotiations would not be on an equal basis if they were to be conducted with one country using the pressure of military force. We are inclined toward a businesslike meeting, a businesslike discussion, and we hope it will bear results.

"The Lithuanian prime minister had presented a counterproposal to the proposal by the USSR deputy prime minister that both delegations to the negotiations meet tomorrow, proposing that the Lithuanian Republic's work group meet with the USSR delegation's authorized representatives to discuss all the questions I have mentioned here. At the same time, the proposal suggested the Lithuanian mission in Mosocw as the meeting site.

"We have received information that the leader of the Soviet Union's delegation, Mr. Doguzhyev, did not agree with our proposal; and for this reason—taking into account the exchange of opinions that has taken place—we have decided that three members of the Lithuanian Republic's delegation, as well as their assistants, will go to discuss these questions and at the same time discuss the question of the first meeting between the two delegations as soon as possible. We also agreed that this discussion would take place, as was proposed, tomorrow at the Kremlin at 1500. Thank you."

An unidentified correspondent then asks Stankevicius: "Who will go to Moscow—namely in person?"

Stankevicius replies: "I have been authorized to go to Moscow, and also the members of the delegation, Minister Aleksandras Abisala, and the general director of the country's defense department, Audrius Butkevicius."

An unidentified correspondent from London's THE TIMES asks a question in English: "What does the Soviet side expect to talk about tomorrow? Have you

formed any impression as to what, on what subject, Mr. Doguzhyev will make a proposal?"

Stankevicius replies: "I would like to hope that we are going to obtain a specific answer concerning the transfer to the Lithuanian Republic of the installations presently in Soviet soldiers' hands. We have phrased this question very delicately and will present it as a transfer of the most vital installations, a transfer over to the protection of Lithuanian Republic law and order organs as soon as possible. I hope we will receive an affirmative reply and thus will be able to discuss specifically a possible date for the delegation meeting."

An unidentified correspondent then asks: "You are assessing this meeting as a work group meeting right?"

Stankevicius replies: "Well, as three delegation members will be present there, and I think delegation members from the other side will also be there, it will be a meeting of delegation representatives. It would have been a work group meeting, as we had proposed, in the event more experts were to participate and the level were lower. In this case we accept the high level of the meeting. However, that does not constitute a negotiating meeting, as its aim is of a preparatory nature."

The same correspondent then says: "A second question. Should the Kremlin refuse to return the buildings, do you allow for the possibility for negotiations to begin?"

Stankevicius replies: "We do not establish any sort of conditions for the start of negotiations. As I have stated previously, however, negotiations have to be on an equal basis. If one of the sides participating in the negotiations is relying on the force of arms, such negotiations cannot be regarded as equally based; this is simply impossible and incomprehensible."

Another correspondent asks: "Do you not foresee holding such a news conference tomorrow at the mission? If so at what time, approximately?"

Stankevicius says: "I have discussed this with the Lithuanian representative, Mr. Bickauskas, and he has already made an announcement concerning such a meeting at 1900 Moscow time. [1600 GMT]."

Azubalis then introduces Landsbergis and asks him to comment on USSR President Mikhail Gorbachev's recent interview in DER SPIEGEL. Landsbergis says: "President Gorbachev's interview is a new and significant precedent, which allows one to perceive certain positive changes for the better in the position of the Soviet Union's leadership. Here, of course, the questions are different—the future of the Soviet Union itself, and how Gorbachev perceives the reality that is developing with the [word indistinct] agreement approved by those republics, and the open questions regarding the other republics.

"His view is stated in the center's prerogatives being defined by the republics themselves. That is very similar to what was discussed in its time even by Academician Sakharov, or else what is being discussed by Boris Yeltsin: in other words, a union that is really useful to the union members. The union members themselves decide what it should be like. However, whether the center will in truth behave like that will not force its model upon the republics and will only wait to see what type of model is crystallized by the republics' needs is a question that is still very open. Most probably this will not be as simple as it may be possible to think following Gorbachev's statement that whatever is needed by the republic will be granted by the center. Such a position would be very just—however, the center itself most probably will decide what is necessary for the republics and will not leave it to the republics to decide what is needed by them.

"But our—the three Baltic states'—question is now perceived in a somewhat different and, in truth, a more positive light. Of course, there are also sufficient statements against the republics' choice of their own course, although Gorbachev does not deny his earlier, oft-repeated principle that each nation has the right to choose a path. He does not renounce it. But he raises or points out certain obstacles, which in our estimation are not such insurmountable obstacles. When President Gorbachev discusses the existing division of labor, the cooperation of efforts—even demographic questions—then we do not regard this as an obstacle to reconstruct, revive, or bring to reality the independence of the Baltics. We totally acknowledge a division of labor and cooperation with the Soviet Union and do not at all foresee some great migrational population movement having to take place because of the restoration of independence.

"We are aware of the fact that many people of Russian nationality, or Russian-speaking people, who have settled here recently are not against Lithuania's independence, and we have offered them the right to citizenship on totally the same, equal basis as for the old resident of Lithuania."

Landsbergis goes on to say that "there is no logical ground for these obstacles to be insurpassable or for the rights of nations or the restoration of historic justice to be repudiated because of these obstacles.

"President Gorbachev stresses in his interview that namely the Baltic states, which advocate independence, should according to him orient themselves to the Soviet law on the secession of republics. Here our points of view differ. In fact the legal basis is absolutely different, but the most important thing is that he says that government groups have been set up to solve these issues—to solve these issues with each of the Baltic states. This means that the formulation is not as rigid as before, when the negotiations between Lithuania and the Soviet Union were interpreted from their side as an explanation of certain conditions for capitulation and bringing us to so-called subordination to the Soviet Constitution. Now, it looks as if one is beginning to understand that the

problem needs a wider solution, at least on a basis linking the positions of both countries.

"A certain wider point of view, characteristic of the Gorbachev who has indeed been pursuing a wide-range European policy, can be seen in a comparison of the events that took place in Europe. We feel ourselves part of these processes. What happened in Czechoslovakia, Poland, Hungary, and the former East Germany, and what has been taking place in the Baltic states, is part of a common process. Now the leader of the Soviet Union also sees this [words indistinct]. He saw that there were certain tendencies in the countries of Eastern Europe that were at the time being adjusted, and it looks as if he thinks that our search for a positive dialogue would be beneficial in avoiding extremities or a conflicting clash that cannot be resolved. This clash is not our objective either, and it would be a good thing if the Soviet Union were to renounce it as means for solving by force the problem of their absolute rule in this region by the Baltic Sea.

"I would like to hope that the positive spirit reflected in Gorbachev's interview will indeed become the basis for the policy of the Soviet Union. Of course we can see ourselves in a certain dual position: as a state that has an inherited problem with a neighboring state, which some time ago attacked and annexed us; yet on the other hand we nevertheless took part in all the processes that took place in the Soviet Union, both economic and political."

Landsbergis continues his remarks, saying: "We made a considerable contribution to the reformation of the Soviet Union during the first stage of the reforms. Although President Gorbachev uses the label separatists, which is not entirely right—this does not apply to us—he admits that these forces did a great deal for the sake of reform."

Landsbergis then says: "As I have already mentioned, President Gorbachev confirmed on several occasions his previous point of view, according to which each nation chooses its own path and future and makes the choice as to which ideology to take as a guideline, in what sort of state to live, and what kind of god to worship. We probably will not worship the god of socialism and will try to proceed consistently toward a normal state functioning according to economic laws."

Azubalis then says: "This would not be a question, but rather a request to comment on the information I am about to give you, Esteemed Chairman and Deputy Chairman. How can this be linked with the peaceful interview with President Gorbachev in DER SPIEGEL, and your visit to Moscow, when we know that on Friday, for example, five helicopters landed in Kazlu Ruda, with 300 paratroopers; that several days ago about 120 paratroopers that had been brought in were stationed in Zhytnikov's division; that this very moment about 20 vehicles with servicemen are moving from Riga in the direction of Panevezys; and the fact that today at 1300 300 well-armed paratroopers arrived from Kaunas and still remain. All this indicates—I am not sure—a double game? An interview is given, and our delegation is invited to come to Moscow for a meeting; and yet at the same time, we notice that military activity has increased in Lithuania. What kind of threat to us is this? Is this not some kind of a trap again?"

Landsbergis replies: "There could be several possibilities: to create an atmosphere of pressure, although the Soviet Union had promised not to do this. Old habits might, however, be forceful enough, namely before the meeting in Moscow. If some heavy or unacceptable demands are made of us in Moscow, then a demonstration of force at the same time in Lithuania would force us to accept those unacceptable demands. This is one possible explanation. Of course it is regrettable that in this way the old policy of force is being continued."

He continues: "It can even be worse, because we might expect blows of coercion in Lithuania against Lithuanian institutions and offices, and new installations could be occupied. We have received information about certain specific threats and about possible threats to Lithuanian banks or centers of communications. Then we would have to state with great regret that the Soviet Union is pursuing a two-faced policy."

Stankevicius then says: "I would also like to say that it is only regrettable that the policy of the Soviet Union, expressed in words, nevertheless differs quite often from the policy that is expressed in deeds.

"At the beginning I said that the participants in the coup still remain in the positions occupied by them here in the capital city of Lithuania and in other places, and no actions against them have been taken. Their activity is growing, and this raises the main question: Is the Soviet Union really prepared to go to the negotiations on an equal partnership basis? This question remains, and there is no doubt that it will have to be discussed at our meeting tomorrow. If one side is coming to the negotiations with arms, then these negotiations cannot be regarded as based on equal partnership."

Following an indistinct question from an unidentified correspondent, Landsbergis says: "We have not received any document signed by Gorbachev since 10 January, with his appeal of a purely ultimative character, after which an armed attack took place. From our side we have raised questions and have been waiting for an answer. We have noticed that the answer does not necessarily arrive in writing or by word of mouth. On more than one occasion the answer was given in the form of actions. Unfortunately these were not positive ones.

"At the moment, having failed to receive the answers we wanted to have before the meeting in Moscow, we hope to receive them during the meeting in Moscow from the members of the Soviet delegation. We would not like to have these answers through action being demonstrated simultaneously here in Lithuania. The way the military patrols behave in the northern suburb cannot be reconciled with any normal kind of of civilized existence. It is

part of a psychological terror campaign. It is good that people in Lithuania show endurance and patience; we understand that we must not give in to provocations, and in this lies the strength of our political behavior, which has been positively assessed in the world. Yet measures of intimidation and pressure used by the opposite side have been condemned. The great contrast between what Gorbachev says and what can be carried out by the armed forces in Lithuania, led by him, cannot be accepted by the world, despite the world's desire to help Mikhail Gorbachev and sustain his, shall I say, mythical image as the bearer of peace. It seems that this restricts to some extent the actions of the military. At least we would like to believe it did."

Landsbergis continues: "Concerning President Nixon's visit to Lithuania, I think it is sufficiently evident, and has been commented upon, as a sign of temperate but clearly expressed political support by the United States of Lithuania. At the same time statements by representatives of the U.S. Administration and Nixon's speech in Moscow, as well some points that were repeated in Lithania, indicate a more active policy by the United States toward the Baltic states—more active, say, than last year. Now according to the stance of the United States, the Baltic states are clearly singled out as a region—nations which not only have made their decision, but also have an historical right to be regarded in a different way than the Soviet Union in general or any of its regions. The fact that Lithuania, Latvia, and Estonia are singled out as a specific problem is a step forward, because this is no longer the thesis of a nonrecognition policy traditionally repeated once a year. Now it has begun to be presented as an active and pressing policy of the United States. This gives us hope that perhaps the Soviet Union will be more inclined to go along the path of a more constructive dialogue and will not rely solely on the great superiority of its military power."

Landsbergis goes on to say: "We have explained our position, and we remain of the same opinion today: that the occupation of the television committee buildings in Vilnius is an illegal act, and that the new preconditions imposed by the Soviets should be eliminated in light of any human reasoning. The Soviet side does not deny this, either; however, they unfortunately did not answer this question. We will keep reminding them of this question all the time. This is the question that has to be resolved in any case, whether or not our negotiations are under way. We only regret that the Soviet Union allows itself to take the position of robber and destroyer. We can only regret that the European states and the United States do not emphasize this strongly enough to the Soviet Union. The one thing that we in fact want is that the negotiations that broke off at the end of last year be continued from the status quo at that point, and that their continuation not be interpreted as our acceptance of what is happening today. We cannot accept, or agree with under any circumstances, what happened in January."

Stankevicius then says: "I would also like to stress that during the process of consultative negotiations—namely during the process of consultative negotiations—the USSR delegation agreed with this entirely. The question is only how soon this will happen, and tomorrow we want to receive a more specific answer in that this will take place very soon, that this process will begin, and that it will become possible to return to the work concerning negotiations again.

"On whether we are going to raise specific questions concerning the Lithuanian police or concerning attacks on other officials, thus preventing them from carrying out their duties—well, it is possible that these issues could be touched upon. But these are only details. We would like to receive an answer on principle, which would indicate that all other specific answers would be elicited from this as well. Everything does not necessarily have to be done in a day; however, we have not yet seen the beginning of this process. Not a single positive step has yet been taken on the part of the Soviet Union."

Azubalis then says: "Before I allow you to carry on with your questions, I would like to go back to the information given this morning that 300 armed paratroopers arrived in Lentvaris from Kaunas. They stayed at the station for about two and a half hours, and then at 1430 they got on the train bound for Vilnius and are currently travelling to Vilnius. Now, carry on with your questions, please."

An unidentified correspondent then asks if any measures would be taken against those journalists who misinformed the public about the shootings by OMON during the daytime in Vilnius, on a busy street, saying that OMON were only protecting themselves from the aggressors, the Lithuanians.

Landsbergis replies; "We could react, namely by qualifying the actions of these specific journalists as not in keeping with the ethics of a journalist and as dangerous to the public, to peace, and to concord between nations. However, this would be a mere simplification of the issue and would put the blame on specific people who are only carrying out the tasks given by their employers and who are paid by them."

Landsbergis continues: "In turn, it reflects a certain state policy, a certain state policy of the Soviet Union: to misinform its people so that there is less support for Lithuania and the Baltic states among the wide masses and so that enmity and hatred are incited in the countries that are aspiring to freedom."

Stankevicius Views Coming Talks With USSR

LD2503165991 Moscow TASS in English 1639 GMT 25 Mar 91

[by TASS correspondent Kazys Uscila]

[Text] Vilnius March 25 TASS—A meeting between Soviet First Deputy Prime Minister Vitaliy Doguzhiyev

and Lithuanian representatives, scheduled for Tuesday, "should help create conditions" for future bilateral talks, Lithuanian Vice President Ceslovas Stankevicius told TASS.

Several days ago, Lithuanian mass media reported that a telegram had been received by the republican leadership from Doguzhiyev, heading a delegation formed by the Soviet president's decree for "discussing a range of political, social and economic issues with Lithuanian representatives."

Doguzhiyev proposed organising the first meeting of delegations on March 26. Stankevicius confirmed the reports, saying that he himself and part of the Lithuanian delegation will arrive in Moscow.

Speaking about future talks, Stankevicius said they could begin only "after the danger of a coup" is eliminated in Lithuania. He believes that there is such danger in the republic, until "radio, television and communications are in the hands of those, who attempted a coup d'etat in January."

Stankevicius recalled that he had met Doguzhiyev about a month ago. According to Stankevicius, Doguzhiyev then promised to "deal with returning seized objects in Lithuania."

Stankevicius expressed regret that since the meeting, "the situation has not improved. On the contrary, it has aggravated. The use of arms by the army and the OMON special police units against civilians has become more frequent. Violence continues."

Landsbergis: World Attention to Dialogue Needed

LD2203202391 Moscow TASS in English 2004 GMT 22 Mar 91

[By TASS correspondent Kazis Uscila]

[Text] Moscow March 22 TASS—A delegation of the European Parliament, led by its Vice President Siegbert Alber, ended its visit to Lithuania today.

Deputies to the European Parliament were received by Lithuanian President Vytautas Landsbergis. Describing the situation in the republic, he said that "the Soviet Union is continuing an aggression against Lithuania with the aim to destabilise the situation and create an atmosphere of terror.

"Our guests had an opportunity to see by themselves the real situation in Lithuania," he pointed out. Landsbergis admitted that the Lithuanian side tried to convince representatives of the European Parliament of the "need for international attention" to a dialogue between Lithuania and the centre.

According to Siegbert Alber, the European Parliament will hear the report of the delegation and will take a decision on the stand it should assume with regard to Lithuania and the Soviet Union and on the assistance that should be rendered.

The delegation had meetings with representatives of various parties, national communities and the Lithuanian clergy.

Landsbergis Addresses Economics Conference

LD2503131391 Vilnius Radio Vilnius in Lithuanian 1000 GMT 25 Mar 91

[Excerpt] [passage omitted] Questions of Privatization in Economy is the heading of an international conference which began this morning at the Ministry of the Economy in Vilnius.

Organizers of the conference are the World Organization for Peaceful Transition to Democracy, the Economic Commission of the Supreme Council of Lithuania, and the Lithuanian Social Democrats' Party.

Guests have arrived in Vilnius from the United States of America, Canada, England, Hungary, Czechoslovakia, Moldova, and Latvia. A large number of Lithuania's scientists and ministry and department economists are participating in the conference. Due to organizational problems within Soviet rail and Aeroflot, Polish and Bulgarian representatives are still en route to Vilnius.

Chairman of the Supreme Council of Lithuania Vytautas Landsbergis, who was given a warm reception, greeted the organizers and participants in the international conference.

Leader of the international association Peaceful Transition Democracy, Mr. (Marcus Goetz) and Director Dr. Martin [name indistinct] of the famous Adam Smith Institute in London, addressed the morning session.

Head of the Lithuanian Government Gediminas Vagnorius presented a report on problems of privatization in Lithuania.

The international conference will continue its work for three days. [passage omitted]

Lithuania Urges Cut in Cost of Workers' Meals

LD2303010791 Vilnius Radio Vilnius in Lithuanian 2000 GMT 22 Mar 91

[Text] A government directive on additional measures for reducing costs in workers' meals at enterprise cafeterias and buffets:

The Government of the Republic of Lithuania resolves, on food product price increases, to direct managers of state enterprises and state joint enterprises and to recommend to managers of other enterprises to use their own funds in decreasing, by no less than 50 percent, workers' meal prices in enterprise cafeterias and buffets, effective from 26 March 1991.

Local Plans for 17 Mar Poll Deemed 'Illegal'

PM2503150591 Vilnius EKHO LITVY in Russian 15 Mar 91 p 1

[Resolution signed by V. Landsbergis, chairman of the Lithuanian Supreme Council, in Vilnius on 12 March: "Lithuanian Supreme Soviet Resolution on Illegal Activity by Vilnyusskiy and Shalchininkskiy Rayon and Sneckus Settlement Soviets, and Also Certain Enterprises and Organizations To Assist the Soviet Union in Preparing for the USSR Referendum 17 March 1991 in Lithuania"]

[Text] The Soviet Union is grossly interfering in Lithuania's internal affairs in violation of international law and the principles of cooperation between sovereign states. Under pressure from the USSR Armed Forces and CPSU subunits in Lithuania's Vilnyusskiy and Shalchininkskiy Rayon and Sneckus Settlement Soviets, along with certain other enterprises and organizations in the republic, decided to organize the USSR referendum 17 March 1991. The Lithuanian Supreme Soviet states the following: Any efforts whatsoever to arbitrarily and illegally organize the USSR referendum on the republic's territory constitute activity directed against the Lithuanian republic and its sovereignty; any resolutions and decisions as regards preparing for the USSR referendum on Lithuanian territory are illegal; the Soviet Union's desire to discuss the USSR's internal problems in Lithuania without the Lithuanian Government's agreement and authorization is an aggressive, provocative, and destructive activity. The Soviet Union bears responsibility for these actions.

The Lithuanian Supreme Soviet resolves:

1. To point out that under Lithuanian law, the Lithuanian Government's agreement and authorization must be obtained in order to poll other states' citizens on Lithuanian territory. As regards the preparation of the USSR referendum 17 March 1991, the Soviet Union has made no demarches and, consequently, has received no authorization to organize anything.

2. To rule illegal the decisions and resolutions adopted by Vilnyusskiy and Shalchininkskiy Rayon and Sneckus Settlement Soviets, along with enterprises and organizations, regarding the organization of the USSR referendum on Lithuanian territory.

3. To instruct Vilnyusskiy and Shalchininkskiy Rayon Soviets, along with enterprises and organizations in certain localities which adopted these kinds of decisions and resolutions, to suspend their execution.

4. To urge Lithuanian citizens and all people resident in Lithuania not to participate in or engage in any other kind of activity involving themselves in the USSR referendum, which the Soviet Union is organizing illegally on Lithuanian territory, and not to provide any assistance in the course of the preparations for the said referendum.

[Signed] V. Landsbergis, chairman of the Lithuanian Supreme Council
Vilnius, 12 March 1991

Lithuania Accedes to UN Human Rights Charter

PM2403141991 Vilnius EKHO LITVY in Russian 15 Mar 91 p 4

[Resolution signed by Vytautas Landsbergis, chairman of the Lithuanian Supreme Soviet, in Vilnius on 12 March: "Lithuanian Supreme Soviet Resolution on the Lithuanian Republic's Accession to the International Human Rights Charter"]

[Text] The Lithuanian Supreme Soviet:

STATING its commitment to universally recognized human rights and basic freedoms,

RECALLING that Lithuania restored an independent state with the 16 February 1918 act and was 1921-1940 a member of the League of Nations and a party to the Permanent Court of International Justice statute,

PROCEEDING from the Act on Restoring Lithuanian Independence of 11 March 1990 and the results of the plebiscite conducted 9 February 1991, which confirmed Lithuanian people's refusal to tolerate the forcibly imposed jurisdiction of another state and their desire to once again acquire their freedom and justice by peaceful democratic means,

ACKNOWLEDGING that a state's duty to defend human rights and basic freedoms is still its most important task even in conditions of military-political oppression by outside forces,

SEEKING the full affiliation of the Lithuanian republic and the members of its society to the world community of free nations and states, in which respect for human rights and basic freedoms has already become a universally recognized value and principle of international relations, and also in whose creation and activity the Lithuanian republic was unable to participate for a long time owing to enforced isolation,

TAKING COGNIZANCE of the fact that the Lithuanian Republic, while being a member of the League of Nations during World War II, was not a party to the signing of the UN documents at the end of the war through no fault of its own but due to the consequences of the illegal secret agreements between the USSR and the German Reich,

SOLEMNLY SWEARS

to observe the Universal Human Rights Declaration adopted by the UN General Assembly 10 December 1948 and

RESOLVES:

1. To accede to the following documents of the International Human Rights Charter of 16 December 1966:

the international pact on civil and political rights;

the optional protocol to the international pact on civil and political rights.

2. To instruct the chairman of the Lithuanian Supreme Soviet to appeal to the UN secretary general and inform him of the said act of accession and of the Lithuanian republic's desire to lodge accession documents.
[Signed] Vytautas Landsbergis, chairman of the Lithuanian Supreme Soviet
Vilnius, 12 March 1991

RSFSR

Russian Congress Ordered To Ban Moscow Rallies

LD2503183291 Moscow TASS in English 1811 GMT 25 Mar 91

[By TASS legislative correspondent Lev Aksenov]

[Text] Moscow March 25 TASS—The Soviet Government has instructed the Moscow City Executive Committee to ban all rallies in Moscow during the congress of Russian people's deputies.

According to information, received by TASS from the sources close to the government, the cabinet discussed at an extraordinary meeting in Moscow today the question of ensuring a normal working situation during the 3rd extraordinary congress of Russian people's deputies. The congress opens on March 28.

On that day the movement Democratic Russia plans to hold a mass rally in downtown Moscow, under the keynote "Let Us Defend Yeltsin". The executive council permitted the rally, even though the Soviet parliament had advised against it.

Democratic Russia was joined by other political groups which also want to hold rallies in Moscow during the congress.

In the meantime, 29 people's deputies from Russia urged President Mikhail Gorbachev and Prime Minister Valentin Pavlov to defend them from what they called "aggressive elements", which allegedly subject deputies to "organised and tough pressure at their places of residence and near the venue of the congress."

The president instructed the Cabinet of Ministers "to take all necessary measures to ensure appropriate public order in the capital".

The text of today's resolution is expected to be published soon.

Pavlov Signs Ban Decree

LD2503194591 Moscow Central Television First Program Network in Russian 1800 GMT 25 Mar 91

[From the "Vremya" newscast]

[Text] In fulfilling the decision of the USSR Supreme Soviet of 21 March 1991 on the request made by USSR people's deputies to the USSR Cabinet of Ministers in connection with the planned holding of rallies and demonstrations in Moscow on 28 March 1991, and being guided by the fact that instructions and powers were given to the USSR Cabinet of Ministers by the USSR president on 23 March of this year to take all necessary measures to ensure appropriate public order and calm in the capital, and also to prevent any kind of pressure upon the people's deputies, the USSR Cabinet of Ministers resolves:

1. That the holding of rallies, pickets, street parades, and demonstrations in the city of Moscow from 26 March to 15 April 1991 shall be banned;

2. That the Executive Committee of the Moscow City Soviet of People's Deputies, the executive committees of the rayon soviets of people's deputies, and the Zelenograd City Soviet of People's Deputies of the City of Moscow, the USSR Ministry of Internal Affairs and the USSR Committee of State Security shall take necessary measures for the fulfillment without fail of the first point of the present decision and for ensuring the appropriate public order and security of the population:

3. That the USSR Ministry of Railways and the USSR Ministry of Civil Aviation shall provide specific measures to strengthen security on transport within the Moscow transportation network.

4. That the leaders of enterprises, organizations, educational establishments, and scientific establishments in the city of Moscow shall ensure strict observance of state discipline and normal activity by the labour and training collectives; preventing the holding of public political actions during working time; and ensuring proper protection for the facilities under their charge.

The decision was signed by Pavlov, prime minister of the USSR; ministers; and (Prostyakov), administrator of the affairs of the USSR Cabinet of Ministers.

Gorbachev Establishes MVD Body for Moscow

LD2603081691 Moscow All-Union Radio Mayak Network in Russian 0730 GMT 26 Mar 91

[Text] Mayak usually reports foreign news at this time, but first a decree of the president of the USSR which we have received, on the establishment of the Chief Directorate of the USSR Ministry of Internal Affairs for the City of Moscow and Moscow Oblast. The decree says:

In view of the need to ensure public order in the capital of the USSR, the City of Moscow, and guided by paragraphs 1 and 2, Article No. 127, of the Constitution of the USSR, I resolve:

To establish, on the basis of the Chief Directorates of Internal Affairs of the Moscow City Executive Committee and Moscow Oblast Executive Committee, the

Chief Directorate of the Ministry of Internal Affairs [MVD] of the USSR for the City of Moscow and Moscow Oblast.

To appoint Ivan Fedorovich Shilov, first deputy minister of internal affairs of the USSR, as head of the Chief Directorate of the USSR MVD for the City of Moscow and Moscow Oblast.

That was a decree by Gorbachev, president of the USSR.

Silayev on Russian Government's Economic Plans

LD2603114791 Moscow TASS International Service in Russian 1013 GMT 26 Mar 91

[By TASS correspondents Lev Aksenov and Yuriy Kozmin]

[Text] Moscow, 26 Mar (TASS)—"In our view, a planned structure is impossible in a market economy, and a vigorous and rapid transition to the market is essential," Russian Prime Minister Ivan Silayev stated. He was speaking today at the USSR Ministry of Foreign Affairs' press center, at a news conference devoted to the Russian Government's plan for action to stabilize the economy and go to a market system.

According to its head, the Russian Government intends "to push the interests of the individual to the forefront, and create the opportunity for the individual to run his own business." This means "lowering the rate" of 30 percent taxation on personal income. Ivan Silayev expressed the need for the free buying and selling of foreign currency in Russia, without which, in his view, the problem of ruble convertibility—and on a broader scale, of integrating Russia's economy with the West's—cannot be solved.

Matters of privatization occupy a prominent place in the program. This process has already been successfully begun in the agrarian sphere in the setting up of farm holdings. At the same time, "We are not going to demonstrate force and propose that collective and state farms disband," the premier noted. Measures for the privatization of housing, etc., are envisaged.

Ivan Silayev stressed that his cabinet intends to pay very serious attention to matters of cooperation with territories and republics within the Russian Soviet Federated Socialist Republic and granting them broad economic rights.

"Our program is full of specific actions in favor of market relations," Ivan Silayev stated. "I believe in it because it has not been made abstract and it assembles the experience of many countries," he said, replying to a question from a TASS correspondent. "If the program is supported, it will be implemented."

"We realize that we will not be able to solve our problems in isolation," Ivan Silayev stated. "Therefore we will interact, and enter closer contacts with the USSR Cabinet of Ministers. We reckon that we will be able to agree on the most crucial issues." He reported that he had several meetings with Valentin Pavlov, premier of the USSR Cabinet of Ministers. According to his appraisal, these meetings have, so far, not given grounds for much optimism, but the head of Russia's Government intends to continue to look for interaction. "I am not losing hope," he added.

The prime minister called upon all parties, public movements, and organizations of Russia "to unite their efforts and consolidate in order to implement the main actions involved in shifting to a market." "If we succeed in carrying out our intentions," he continued, "then Russia will become a strong economic part of a renewed Union. This will be to everyone's benefit, and the efforts of all—from the USSR president to the ordinary Cabinet of Ministers' official—must be aimed at implementing the program." "If there is a strong Russia, there will be a strong renewed Union. We are offering to turn swords into plowshares," stated Ivan Silayev.

The Russian prime minister informed journalists that the plan drawn up by the Russian Government is not an alternative program to the "500-day" program adopted at the end of 1990 by the Russian parliament. It is a realistic plan for implementing the main principles of the "500-day" program, concentrating on Russia and calculated for 1991-1992.

Touching on the third extraordinary congress of people's deputies of the republic which opens in Moscow on 28 March, Ivan Silayev did not rule out the possibility of the Russian leadership being replaced. But he expressed the hope that "the critical situation in Russia will persuade the majority of deputies to consolidate," though an alternative opposition will remain. Ivan Silayev voiced the view that "Boris Yeltsin's popularity is sufficiently high and not falling," and therefore regarded his replacement in the congress as "unlikely."

Controversy Over RSFSR's Signing Union Treaty

LD2503214191 Moscow TASS International Service in Russian 1610 GMT 25 Mar 91

[By TASS legislative correspondents]

[Text] Moscow, 25 Mar (TASS)—The question of the Russian Federation signing the Union treaty was discussed today at meeting of the congress of people's deputies commission set up to prepare proposals on this document. The draft declaration on the fundamental principles of Russia's national and state structure approved by the members of the commission stresses that after its adoption at the extraordinary third congress of people's deputies opening on 28 March, "the republics belonging to the Russian Soviet Federated Socialist Republic sign the Union treaty as represented by an authoritative delegation of the Russian Federation."

Although the draft declaration has actually been approved by a majority of members of the commission, it cannot be said that complete agreement has been

reached on this important issue. Thus, Vladimir Isakov, chairman of the soviet of the republic, one of the two chambers of the Russian legislature, thinks that this draft is "unrealistic." In an interview with TASS correspondents he noted that even now 14 out of 16 autonomous formations favor signing the Union treaty independently. In his view only one option is possible in the current situation: the Union treaty being signed directly by Russia and by the republics belonging to it at the same time. "This," said Vladimir Isakov, "is not the disintegration of the federation, but the beginning of a serious conversation with the autonomous formations inside the republic."

Union Urges Gorbachev, Pavlov To Meet Miners

LD2503140891 Moscow Radio Rossii Network in Russian 1300 GMT 25 Mar 91

[Text] The Presidium of the Council of the Federation of Independent Trade Unions of the RSFSR [Russian Soviet Federated Socialist Republic] has presented an open letter in which it notes that the rising wave of the miners' strike movement, with which many metallurgical, oil, and power engineering collectives and workers of a number of other industries have expressed solidarity, will lead to the further disintegration of the country's economy and to a worsening of the working people's position. We urgently ask USSR President Gorbachev, the letter notes, and USSR Prime Minister Pavlov to begin talks immediately with representatives of the country's coal mining regions.

Premier Silayev To Meet Miners in Moscow

LD2503150291 Moscow Radio Rossii Network in Russian 1345 GMT 25 Mar 91

[Text] The main topic of the day is the miners' fight for their rights. According to our information, only three out of 13 mines are working in the Vorkutaugol association. Negotiations are currently under way on providing special treatment for the Cherepovetsk metallurgical combine, which is on the verge of stopping—to supply it with raw materials. According to TASS information received from Kemerovo, 46 Kuzbass coal mining enterprises continue their strike. But according to our information, 73 Kuzbass mining enterprises are taking part in the strike. TASS takes into account only those enterprises that have stopped their work completely. Coal that is used only for public needs is being loaded.

Miners intend to make no concessions or compromises—this was stated today by Vyacheslav Golikov, chairman of work committees. Striking miners are familiar with the proposal by President Gorbachev and Premier Pavlov to start a dialogue with those who have stopped striking. Judging by reports and public mood, such collectives cannot be found in Kuzbass in the near future. Tomorrow a meeting is to take place in Moscow between representatives of work committees and [Russian Prime Minister] Ivan Silayev. Our correspondent Sergey Saltymakov has reported this from Kemerovo.

Silayev Visits Striking Kuzbass Coalfield

PM2603104191 Moscow IZVESTIYA in Russian 25 Mar 91 Union Edition p 2

[Report by Viktor Kostyukovskiy under the "Direct Line" rubric: "I. Silayev in Strike-Bound Kuzbass"]

[Text] Kemerovo—The schedule of the brief visit to the Kuzbass of I. Silayev, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Council of Ministers, proved full to capacity.

In Mezhdurechensk he visited the "Raspadskaya" Mine, one of the largest in the country. Nor has its collective, famous for its mining records, remained on the sidelines of the political strike in which the majority of Kuzbass miners are now participating.

Representatives of all the Mezhdurechensk mines have expressed their readiness to strike "to the end." Without issuing any recommendations, I. Silayev noted that the strike will further exacerbate the already very poor condition of the Russian economy. The "Raspadskaya" miners spoke about their main concern: No matter how hard they try, they seem to be unable to switch to genuine, full-blooded leaseholding. Ivan Stepanovich said that in his opinion the solution lies in joint-stock forms of independent management rather than leaseholding.

The head of the government also visited a number of enterprises in the oblast center. In the evening he met with deputies of the oblast soviet and of a number of city soviets, and soviet and economic leaders, and briefed them on the new republican program for the transition to a market economy which the RSFSR Council of Ministers intends to submit to the congress of people's deputies.

Representatives of workers' committees (incidentally, these did not include members of the Kuzbass council of strike committees) expressed the wish to speak to Ivan Stepanovich "without witnesses," and that included journalists. This came as a surprise to all of us. Up until now the committees did not hide their plans or ideas from the mass media on either the "right" or the "left." Incidentally, the content of their conversation became known immediately: They asked Ivan Stepanovich to ask B. Yeltsin in turn to ask the miners to end the strike.

"That is a provocation," V. Golikov, chairman of the council of strike committees, told me on the telephone from Novokuznetsk. "I do not know who was there, but the council adopted no such decision, and the miners' mood, as far as we know, is quite different." In reply to the question why council members did not take part in meetings with I. Silayev (incidentally, the head of the government himself was annoyed about this), V. Golikov said: "Not only did no one invite us to go anywhere, we were not even briefed on the program of Ivan Stepanovich's visit to the Kuzbass. I have the impression that this was done deliberately, in order to

try to brush the council aside and then to claim, as has been done before, that we are pseudo-leaders and that we do not represent anyone."

Before he left, I. Silayev promised the Kuzbass workers that he would come back in May with a working program for the establishment of a Russian joint stock coal company.

Yeltsin Urged To Appeal to Striking Miners

PM2603120191 Moscow SOVETSKAYA ROSSIYA in Russian 26 Mar 91 First Edition p 1

[Report by ROSTASS correspondent G. Shalakin: "Logic of Actions Incomprehensible; Oblast Soviet Chairman's Telegram to RSFSR Supreme Soviet Chairman"]

[Text] Kemerovo, 25 Mar—Kemerovo Oblast radio has made public a telegram sent by A.G. Tuleyev, chairman of the oblast soviet, to B.N. Yeltsin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet. It says:

"The situation in the Kuzbass remains extremely complex. The strike continues at 46 enterprises. The strikers' demands are political. These demands are known to you. The matter has gone a long way. The coal issue is bringing the whole country to a standstill. Over 20 blast furnaces have already been stopped and very large metallurgical and by-product coke plants are on the verge of stoppage. From them the chain extends to the paralysis of the entire national economy.

"I have received hundreds of telegrams. Children in the kindergartens and patients in hospitals are freezing. You cannot read them without feeling pain.

"Many oblasts, primarily Russian oblasts, are refusing to deliver food to the Kuzbass even under allocations. The destructive processes which have begun in the Kuzbass are beginning to return here in the form of a real threat.

"Our miners' despair is entirely explicable.

"Today's crisis situation requires your urgent intervention, since the Kuzbass strike is having the most painful effect on the Russian economy. In this connection I cannot understand the logic of your actions. After all, if you are elected president of the republic you will have to begin not even from zero but from a minus number. Neither you nor anyone else will succeed in putting right the consequences in a short time. Naturally this will again strike against our people's vital interests. It is not hard to predict their reaction. People will demand a rapid resignation. On this occasion, yours."

The oblast soviet chairman proposes a way out of the situation which has taken shape. In his message to B.N. Yeltsin he recommends: "I ask you yet again to appeal personally to the strikers. To thank them for their support and ask them to resume the extraction and shipment of coal. That will help the country and help you. It will help the country halt the destruction and help you strengthen your prestige."

Further on Yeltsin Visit to North Caucasus

Addresses Nazran Rally

LD2503163191 Moscow World Service in English 0800 GMT 25 Mar 91

[Text] The chairman of the Supreme Soviet of the Russian Federation, Boris Yeltsin, yesterday addressed a multi-thousand rally in the city of Nazran in the Chechen-Ingush Soviet Republic in the North Caucasus. The meeting has been going on for almost two weeks. Its participants demand the restoration of the autonomy of the Ingush people within the Russian Federation, which was abolished in 1934, and the return of the Ingush people to the lands which became part of the neighboring North Ossetia after the mountaineers were evicted from their native land.

Boris Yeltsin proposed that the territorial dispute should be solved through negotiations between two republics—the Chechen-Ingush republic and North Ossetia—with mandatory participation of the parliament of the Russian Federation.

IZVESTIYA Summarizes Visit

PM2603093391 Moscow IZVESTIYA in Russian 25 Mar 91 Union Edition p 2

[Report by Ali Kazikhanov under the "Direct Line" rubric: "B. Yeltsin in North Caucasus"]

[Text] Vladikavkaz—B. Yeltsin, chairman of the RSFSR [Russian Soviet Federated Socialist Republic] Supreme Soviet continued his tour of the North Caucasus republics 24 March.

After arriving in North Ossetia by air, Boris Nikolayevich visited the "Sunzhenskiy" Kolkhoz and the "Nart" Sanatorium where refugees from South Ossetia are being housed. Learning of B. Yeltsin's arrival, more than 70,000 of Vladikavkaz' inhabitants gathered on Ploshchad Svobody [Freedom Square] to share their alarm about what is happening in Tskhinvali, and about growing tension on the border with neighboring Chechen-Ingushetia.

Addressing a rally, the Russian leader called for a peaceful solution of controversial issues, since the RSFSR is the only Union republic where there has been no violence and it is necessary to make every effort to ensure that disputes do not turn into bloody conflicts. He declared that the RSFSR Supreme Soviet has not adopted and does not intend to adopt decisions on refashioning existing territories.

After the rally B. Yeltsin departed for Kazbegi Village (Georgia) to meet with Z. Gamsakhurdia, where the question of ways to resolve the conflict situation in Tskhinvali was discussed.

On 24 March Boris Nikolayevich Yeltsin attended a rally at Nazran City (Checheno-Ingush Republic). Then, en route for Groznyy, he met with inhabitants of the Karabulak chemical industry workers' settlement.

In the afternoon a meeting between B. Yeltsin and Cossack representatives was scheduled to take place in the building of the Council of Ministers of the Chechen-Ingush Republic, to be followed by a meeting with the leadership of Checheno-Ingushetia.

Further on Russian Supreme Soviet Sessions

Draft Declaration on Principles

LD2503162191 Moscow All-Union Radio Mayak Network in Russian 1530 GMT 25 Mar 91

[Text] At the RSFSR House of Soviets, a regular session of the congress commission of RSFSR people's deputies for the elaboration of proposals for the draft Union treaty has taken place. It was chaired by Khasbulatov, first deputy chairman of the RSFSR Supreme Soviet. The draft declaration on the basic principles of the national and state order of the RSFSR has been adopted by a majority of votes. The draft will be published in the press.

PRAVDA on 21 Mar Session

PM2503103391 Moscow PRAVDA in Russian 22 Mar 91 Second Edition p 2

[Report by A. Chereshnev: "Down to Business Right Away, Perhaps? At the Russian Soviet Federative Socialist Republic Supreme Soviet Session"]

[Text] As usual, at the start of yesterday's morning session the deputies were given 15 minutes to decide the order of business. "Any other business" dragged on for nearly an hour...

The deputies expressed their views on penalties for republican leaders who refused to hold the Russian Soviet Federated Socialist Republic [RSFSR] referendum on their territories (no decision), on the ratification of Union legislative acts that contradict Russian legislative acts (matter transferred to a commission for study), on their attitudes toward miners' strikes (it was decided to adopt a resolution on the need for talks between Prime Minister V. Pavlov and the miners), and on a number of other matters.

Then R. Khasbulatov, first deputy chairman of the RSFSR Supreme Soviet, took the floor to provide information on the preparations for the Third (Extraordinary) Congress of RSFSR People's Deputies. The speaker dwelt on the commissions' and subcommissions' preparatory work and proposals on congress working organs and on what people to invite and how many of them. The information was noted.

Deputy G. Dorofeyev delivered a report on the provisional statutes and chairman of the Commission on Observance of the Standing Orders of the Congress of RSFSR People's Deputies and republican Supreme Soviet.

A fierce debate broke out over the draft. Will the commission operate on a permanent basis or on a voluntary basis and meet just to resolve disputes? Will it be a congress commission or will its powers also extend to the activities of the supreme soviet?

As a result of the debate, it was decided to send the draft provisional statutes back to be worked on further.

After a short break the deputies embarked on a discussion of the draft RSFSR law on enhanced social guarantees for working people. It was presented by M. Zakharov, chairman of the Social Policy Commission. In the speaker's view, the proposed social measures should provide people with tangible benefits. RSFSR Finance Minister I. Lazarev, however, observed that before being submitted for discussion these proposals had had to be correlated with the republic's budget, which is extremely tight at the moment.

Nonetheless, the draft law was adopted on first reading.

The deputies adopted the law on the state tax service on second reading.

Yesterday's sitting also saw amendments and additions to the RSFSR Criminal, Civil, and Criminal Procedure Codes.

Official Results of RSFSR Referendum Reported

LD2503161891 Moscow TASS International Service in Russian 1505 GMT 25 Mar 91

[Text] Moscow, 25 Mar (TASS)—A total of 73.34 percent of the voters in Russia who took part in the republican referendum on 17 March voted in favor of the preservation of the USSR as a renewed federation of equal republics, and 69.85 percent voted in favor of introducing a presidency in the RSFSR.

These are the official final results of the first referendums (the Union and Russian referendums) during the years of Soviet power. They were given today at the meeting of the central republican commission on the holding of the referendums.

Speaking at the meeting, commission Chairman Vasiliy Kazakov reported that a negative answer to the question on introducing the post of RSFSR presidency was given by 28.01 percent of those participating in the referendum; 2.14 percent of the ballots were deemed invalid. In total, 76,652,747 people took part in the referendum, which accounts for 75.31 percent of the total electorate in Russia.

As know, in four republics within the Russian Federation—North Ossetia, Chechen-Ingushetia, Tuva, and Tataria—according to decisions of the republics's supreme soviets, the Russian referendum was not held.

Vasiliy Kazakov confirmed the position of the central commission which from the very start of its activity proceeded from the fact that it was essential for the results of the Russian referendum to be determined by the number of the electorate who took part in the voting and not by the total number of them on the electoral roll. (In his address before the referendum Boris Yeltsin, the head of the Russian legislature, stressed that the decision on the introduction of the post of president of the republic would be legitimate only if there were a majority of votes from the electoral roll).

In connection with this Vasiliy Kazakov noted that even if one were to proceed from the total number of the electorate (in accordance with the law such a system of calculation is necessary where there is a direct change in the legislation), more than 52 percent of the electorate came out in favor of the introduction of the post of president.

Moreover, Vasiliy Kazakov noted, even if one takes into account the total number of votes of those living in republics which refused to hold the Russian referendum, 50.5 percent of citizens gave a positive answer to the question.

Moscow's Prokofyev Views Referendum Outcome

PM2203151591 Moscow PRAVDA in Russian 22 Mar 91 Second Edition p 2

[Report by A. Mikhaylov: " 'Yes!' to the Union"]

[Text] "Although the official figures have not yet been published, it is clear that the majority of the country's population favors a renewed Union in the form of a federation of sovereign republics," Yu. Prokofyev, member of the CPSU Central Committee Politburo and first secretary of the Moscow Party City Committee, said yesterday at a news conference on the results of the all-Union referendum.

He described the situation on the eve of the referendum as extremely bad. In conditions of declining living standards and a slump in its authority, the country's leadership could hardly expect a positive response. But it was at that difficult time that it dared for the first time to consult the people, in order to have their opinion behind it in the future. The results around the country showed that where the economic situation is stabler there are more supporters for the Union. In Moscow more than 50 percent voted for its preservation.

In the capital around 80 percent voted for the post of mayor.

In his speech and his replies to Soviet and foreign journalists' questions Yu. Prokofyev talked about the boycott some media have been employing with regard to the Union treaty. Moreover, the referendum questions had become simply a matter of personalities. Asked by a PRAVDA correspondent why newspapers with an overtly anticommunist, destabilizing content (KURANTY, ROSSIYSKAYA GAZETA) are printed at the works of the MOSKOVSKAYA PRAVDA party publishing house, the leader of the capital's party organization said:

"The party itself favors the democratization of society. We support a multiparty system, with the press of other political persuasions contributing to it. We did not object to our facilities being used for these publications. But there is a limit to everything, of course."

Federation Council Members Criticize Yeltsin

PM2503121591 Moscow SOVETSKAYA ROSSIYA in Russian 20 Mar 91 First Edition p 3

["Time to Answer; Statement by Members of the RSFSR Federation Council on the Socioeconomic and Political Situation in the Republic"]

[Text] We members of the RSFSR [Russian Soviet Federated Socialist Republic] Federation Council are extremely concerned about the economic crisis and the serious sociopolitical situation that has developed in the republic. Negative phenomena are growing, economic ties are being severed, the level of output is falling, shortages are spiralling, and people's lives are sharply deteriorating.

The RSFSR Supreme Soviet leadership headed by B.N. Yeltsin—who is now openly appealing to anticommunism and anti-Sovietism and advocating so-called "democratic" ideas—has embarked on a path of repudiating the USSR as a socialist state and abandoning the existing system and legitimate bodies of authority at the local level. All this is increasing social tension in society.

People are tired of the oppressive atmosphere of instability, uncertainty, animosity, and confrontation. They want real action aimed at stabilizing the economy and improving their well-being.

Almost a year has passed since the election of the present supreme soviet leadership and the formation of the RSFSR Government, but not only has there been no improvement—we have actually "gone into reverse" in every respect.

Analyzing the present socioeconomic situation in Russia, we are forced to make the following points.

For the first time in the entire postwar period, the national income has fallen by more than 21 billion rubles [R], which is down 5.5 percent from the 1989 level. Gross output in the agro-industrial complex has dropped 4 percent. Output of all types of agricultural produce, with the exception of grain and milk, has likewise fallen. Capital construction plans have not been met. There has been a sharp drop in the commissioning of housing and public health and education facilities.

Questions of material and technical supply for all sectors of the republic's economy—primarily the textile

industry, light industry, and the agro-industrial complex—have been extremely neglected.

Because of ill-considered, incompetent actions by the republic's government, the program to revive the Russian countryside—approved by the Second (Extraordinary) Congress of RSFSR People's Deputies—is in danger of being wrecked. The republic government's plans to allocate 15 percent of the annual national income for the development of the agro-industrial complex have only been 50 percent fulfilled.

So far the republic government has not developed an efficient system to give people social protection and guarantee their employment and vocational retraining. The questions of territorial management of the local economy and comprehensive socioeconomic development of the republic's territory have been allowed to drift.

The RSFSR economy has been left without clear planning guidelines either for the forthcoming five-year period or even for 1991. Mechanically transferring the republic's budget deficit to local budgets has had a destabilizing effect on the national economy.

The responsibility for this situation largely rests with the RSFSR Supreme Soviet leadership, which has insisted on a contrived, nonviable structure for the republic's Council of Ministers and is quite unable to overcome the crisis of authority: The government has been working under strength for almost a year. Instead of real work, all we get from the leadership is more populist statements and lavish promises that have no real foundation.

The RSFSR Supreme Soviet's law-making activity is a source of great dissatisfaction. The "laws war" in the conditions of economic and sociopolitical instability and crisis is leading to even greater problems for the peoples of Russia.

Having embarked on the dangerous path of open confrontation with the center, the RSFSR Supreme Soviet chairman and those who share his views in the leadership of our republic's supreme legislative body are doing their utmost to delay the conclusion of the Union treaty. This is evidenced by the fact that even the Congress of RSFSR People's Deputies Commission on the Union Treaty was not convened until three months after it had been elected. Naturally, this delay is not helping the restoration of economic and other ties between republics, their regions, and individual enterprises and organizations and is leading to further undermining of the economy and further deterioration in the socioeconomic situation.

The RSFSR Supreme Soviet and its leadership have adopted a misguided work style whereby it has virtually become the rule to take a free and easy attitude to the RSFSR Constitution and laws and to ignore the decisions of congresses of people's deputies. The tone is set by the RSFSR Supreme Soviet chairman. Without the knowledge of people's deputies and with no attempt to consult the opinion of members of the RSFSR Federation Council, he has bypassed the supreme soviet and its presidium and set about creating parallel power structures, for which he has requested almost R1 million. All this is in spite of our present state of poverty and devastation!

The republic referendum and its financing were also arranged in circumvention of the RSFSR Supreme Soviet and Congress. Another R50 million of the people's money have been thrown to the wind.

Having assessed all the points above and aware of our great responsibility to the peoples of the RSFSR, as members of the RSFSR Federation Council we consider it our duty to present the RSFSR Supreme Soviet and its Presidium with the following proposals:

To submit for discussion to the congress a specific program of action to stabilize the economy and overcome the crisis situation that has developed in the republic; and to draw up measures for state regulation and planning and for transition to a market system.

To bring into line with Union laws all republic laws that are destabilizing the socioeconomic and political situation in the country and the RSFSR and hampering the activity of enterprises and organizations at local level.

To make vigorous efforts to conclude the Union treaty as soon as possible.

[Signed] Members of the RSFSR Federation Council:

USSR People's Deputies:

A.F. Voystrochenko, Territorial District 130; L.I. Khitrun, Territorial District 281; and G.M. Khodyrev, Territorial District 163.

RSFSR People's Deputies:

V.A. Volodin, Territorial District 562; Yu.A. Guskov, Territorial District 265; B.F. Zubkov, Territorial District 570; G.F. Kondryukov, Territorial District 308; N.I. Malkov, National-Territorial District 83; Ch.-D.B. Ondar, Territorial District 871; Yu.N. Semenov, Territorial District 404; V.N. Stepanov, National-Territorial District 106; V.N. Tikhomirov, Territorial District 382; and V.I. Chaptynov, Territorial District 162.

Also:

N.P. Kiselev, chairman of Kirov Oblast Soviet of People's Deputies; and M.A. Shestov, chairman of Tver Oblast Soviet of People's Deputies.

Polozkov Addresses Northern Fleet Party Conference

PM2403140191 Moscow KRASNAYA ZVEZDA in Russian 22 Mar 91 First Edition p 2

[Report by Captain 3d Class P. Ishchenko under the general heading: "Party Conferences"]

[Text] Rear Admiral A. Selivanov, chief of the Northern Fleet Military-Political Directorate, delivered a report at the Northern Fleet Party Conference.

The report and delegate speeches noted that it is important today to maintain a professional attitude in the party's life and to refrain from self-flagellation and rally-mania. Naval party organizations should be concerned to ensure that at this very difficult time for the country the Armed Forces remain an important stabilizing factor in the country.

I. Polozkov, first secretary of the RSFSR [Russian Soviet Federated Socialist Republic] Communist Party Central Committee, took part in the conference and gave a speech. He also visited the heavy aircraft-carrying cruiser Fleet Admiral of the Soviet Union Gorshkov [formerly named the Baku].

Reports of Nuclear Test Site Near Perm Denied

LD2503133791 Moscow All-Union Radio First Program Radio-1 Network in Russian 0700 GMT 25 Mar 91

[Summary] An OGONEK report that a nuclear testing ground is being built in the north of Perm Oblast has caused much alarm. The head of Perm Oblast KGB (Vakhamanin) says it's a crude fabrication. Oblast military Commissar Samoylov says there are no military construction units in the areas mentioned by OGONEK. No such site is being built, or could be, because of the region's geographical situation, says the chief of staff of civil defense in the oblast, Meshochkin. One can only wonder how it was possible for unchecked information to be published in the magazine, our correspondent notes.

Komi Legislature Acts on 'Critical' Food Supply

LD2503125191 Moscow Radio Rossii Network in Russian 1100 GMT 25 Mar 91

[Text] In the Komi Soviet Socialist Republic [SSR], the supreme soviet session has recognized that the food situation in the republic is critical. In particular, a decision has been passed that all enterprises on the territory of the Komi SSR—regardless of their departmental affiliations and forms of ownership—should hand over 15 percent of their output to the republican market stock of material-technical resources.

That the deputies in the Komi SSR are alarmed is quite understandable. In Syktyvkar, for instance, each person can obtain in exchange for his voucher one chicken and half a kilo of sausage in three months. A housewife's task is to divide one chicken into ninety pieces.

Western Republics

'Political Investigation' of Moldovan Leaders

LD2303194691 Moscow TASS International Service in Russian 1615 GMT 23 Mar 91

[By TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev, 22 Mar (TASS)—"It looks as if a political investigation is arising in Moldova through the efforts of those who until quite recently were popularly known as democrats." This is how Andrey Safanov, USSR people's deputy, commented on the instruction that the government of the Republic issued to its representatives. They held meetings of citizens the day before in Moldovan cities and villages concerning nonparticipation in the referendum.

The instruction says that in his written account on the event, a representative should present information on the position of the leaders of the local soviets, farms, enterprises, and political and other social organizations; on which of them personally expressed his position at the gathering of citizens; and on what that position was.

"These protocols of the gatherings were necessary to elucidate how many people, and in what populated areas, support the legislature's resolution on not holding the referendum," Tamara Golenko, chief of a department of the Government of Moldova, says. These data were published subsequently in the pages of the republican press, pointing out the names of those who came out in favor and those who came out against. In our opinion there is nothing anti-democratic in this." [quotation marks as received]

"Under conditions whereby a mass offensive is under way on the part of the leadership of the republic against those who are not of like mind, and against pluralism," Andrey Safonov says, "not everyone has the civic courage to say what he thinks at a meeting organized by a representative of the government. Where is the guarantee that he will not after all be labelled 'an enemy of the Moldovan people' with all the ensuing consequences—baiting, dismissal from work, and even, as has happened frequently already, including to deputies, violence."

The deputy stressed that "the referendum showed that there are hundreds of thousands of people who are not changing their convictions to suit the situation, despite being spat upon and insulted by pickets. [no end quotation marks as received]

Moldova Protests Poll 'Interference'

LD2303132491 Moscow TASS International Service in Russian 1234 GMT 23 Mar 91

[Text] Kishinev, 23 Mar (TASS)—The Moldova Supreme Soviet Presidium today published a statement in which it accused the USSR's central authorities of "undisguised interference in the internal affairs of sovereign Moldova."

The Republic's leadership was reacting to the participation by the Moldova population in the all-Union referendum on the future of the USSR, which separatist forces tried to block. Over 800,000 inhabitants of this

small republic took part in the voting. What's more, the overwhelming majority voted for the preservation of the Union.

The nervous reaction of Moldova's legislative leadership reminds one of how difficult it was for nationalist forces to steamroller the decision on nonparticipation in the referendum through the republican supreme soviet. Even after two rounds of voting, they were short one deputy. Heavy pressure was exerted on the deputies who abstained, in particular Andrey Rusnak, whose vote eventually ensured that the decision was passed.

Today's statement repeats the now familiar charges against the central press and television which, according to the authors of the statement, "are pouring out lies and slander against the Moldovan people."

Romanian Foreign Minister Visits Moldova

Received by President Snegur

LD2403193191 Moscow TASS in English 1806 GMT 24 Mar 91

[By TASS correspondent Valeriy Demidetskiy]

[Text] Kishinev March 24 TASS—Romanian Foreign Minister Adrian Nastase, on a working visit to the Soviet Union, met Moldovan President Mircea Snegur and other officials in Kishinev today.

"During two hours of talks we discussed ways to expand economic, cultural and other ties between our republic and Romania, including easier border traffic and more favourable conditions for joint ventures," Snegur told reporters after the meeting.

Make Statements After Talks

AU2403192391 Bucharest ROMPRES in English 1814 GMT 24 Mar 91

[Text] Chisinau (ROMPRES) 24/3/1991—In a statement made at the end of talks with leaders of the Republic of Moldova Romanian Foreign Minister Adrian Nastase stressed that "we must find the most appropriate framework, using wisdom, moderation, trying, step by step, to follow Europe's modern history, to be true to our own future." Noting that "there still are things we have not done yet, some owing to ignorance, others owing to unjustified restraints," he said: "But I think that together we can identify the limits of responsible political action able to make us not blush before our successors. And from this point of view I think that our talks have been characterised not only by a natural warmth but also by the necessary pragmatism to seek tangible solutions. We have discussed various things which can outline a strategy of a cultural confederation as you Mr. President have called it and, eventually, of an economic confederation, by putting our resources together in a space of European values. I think that we must learn to further this dialogue, with the respect the other side deserves but also with the necessity that the other side understands our interests," the Romanian minister also said.

In the statement made at the end of talks with Romanian Foreign Minister Adrian Nastase, the President of the Republic of Moldova Mircea Snegur specified that the talks occasioned a better approach to the necessity of expanding and deepening the links between the Republic of Moldova and Romania in various areas. Talks focused on the simplification of border crossing formalities and the opening of new crossing points for Moldovans and for Romanians as well as on the establishment of mutually advantageous economic links.

President Snegur showed that negotiations proceeded in a friendly atmosphere, as among people of the same kin, who have the same roots, the same intentions and want to do as much as possible to make up for what has been lost since 1940.

Visit Summarized

AU2403170291 Bucharest ROMPRES in English 1553 GMT 24 Mar 91

[Text] Bucharest ROMPRES 24/3/1991—After visiting Moscow and Kiev, Romanian Chief Diplomatist Adrian Nastase arrived in Chisinau [Kishinev] on Sunday morning as the last stage of his Soviet Union tour.

In a statement made to ROMPRES and MOLDOVA PRESS the Romanian foreign minister said: "I think it is but natural that I came to Chisinau. Our relations have entered a stage of great openness. Moreover, I do not think it is good and we do not want to do so to ignore a historical community, a community of language, of interests which we must structure as well as possible. This is the purpose of my visit to Chisinau, which falls within a broader framework following President Mircea Snegur' visit to Bucharest. I think it is our duty to continue these contacts which will lead to a better mutual knowledge, to better relations in all areas political, cultural, economic."

Sunday, President Mircea Snegur of the Republic of Moldova received Romanian Foreign Affairs Minister Adrian Nastase.

During another round of negotiations, in the presence of the president of the republic, the Romanian minister had as colloquitors Ion Hadarca, first deputy speaker of parliament; Prime Minister Mircea Druc; Nicolae Tiu, minister of foreign affairs; Nicolae Costin, mayor of the city of Chisinau.

Talks focused, in the context of the present international situation, on the modalities of expanding and diversifying bilateral, mutually advantageous cooperation.

Kishinev Hosts Bessarabia-Romania Anniversary Meet

LD2403215791 Moscow All-Union Radio First Program Radio-1 Network in Russian 1900 GMT 24 Mar 91

[Text] A meeting in honor of the 73d anniversary of the unification of Bessarabia and Romania took place in Kishinev today, organized by the pro-Bessarabia and pro-Bukovina associations. Demands to send Russians and other citizens not of Moldovan nationality from the republic and to return property to those who left Bessarabia half a century ago were heard in the speeches by participants. In spite of the fact that the radio and television repeatedly called upon the capital's population to take part in the meeting, only a few hundred people attended.

Ukrainian Supreme Soviet Meets 19 Mar

LD2103220991 Kiev International Service in Ukrainian 2200 GMT 19 Mar 91

[Report by legislative correspondents Oles Bedzyk and Mykola Marynenko on the Ukraine Supreme Soviet session in Kiev on 19 March—passages within quotation marks are recorded]

[Excerpts] The session of the Supreme Soviet of the Ukraine continued its work in Kiev today. Our legislative correspondents Oles Bedzyk and Mykola Marynenko report. [passage omitted]

[Bedzyk] Naturally, the issue of the referendum was the center of discussions today in the legislature's lobby even before the morning session started. The debates took many unexpected turns. For instance, the article in the press about the fact that on the eve of the referendum a column of tanks went through Ivano-Frankovsk aroused different reactions. The report turned out to be exaggerated. But there were many things said and written in connection with the referendum. Well, this thing is new for us.

After Vitaliy Boyko, chairman of the republican commission for the USSR referendum, repeated the results of the referendum and the republican poll, which we quoted many times already, a tornado of questions fell upon him. We present excerpts of this discussion without commenting on them. People's Deputy Valeriy Ivasyuk speaks:

"[Ivasyuk] I would like to ask the following question: Do you agree that the fact that from 18 March the declaration [on sovereignty] is a supreme law de facto in the Ukraine is one of the conclusions drawn from the results of the republican opinion poll? Soviets of all levels, and first and foremost the Supreme Soviet of Ukraine, should be guided in its activity by precisely this document."

[Bedzyk] Vitaliy Boyko, chairman of the central republican commission for the USSR referendum:

"[Boyko] I think that the results of the poll indicate that the citizens of our republics have supported the decision by the supreme soviet to adopt our republic's sovereignty declaration. This is another corroboration of the fact that the supreme soviet took the right decision nearly a year ago, which corresponds to the thoughts of our citizens. All other laws and the Constitution should correspond to the declaration of our republic's sovereignty."

[Bedzyk] Leonid Kravchuk added:

"[Kravchuk] I would also give the following answer. Naturally, the way to sovereignty of every state and every people is not simple, and this issue has already been politically settled twice, as far as Ukraine is concerned. The first time was on 16 July last year, when we adopted the declaration; that was the first step, a political step toward solving the problem of Ukraine's sovereignty. Now that the people of Ukraine voted by its qualified majority for the Supreme Soviet's ballot-paper, it manifested with this that it supported the idea and practice of struggle for the sovereign Ukraine. [applause] This is one point. Second, which is not less important, is that the Supreme Soviet and the people of Ukraine work together.

"[Porovskyy] I am Mykola Porovskyy from Rovno Oblast. Can you please tell why the Central Commission did not react to the infringements on the rights of propagandists, who propagandized one question of the referendum or another? In the Crimea, in particular, the Rukh [Ukrainain Movement for Restructuring] propagandists were detained by militia organs and several thousand leaflets were confiscated, they were kept in the militia station for several hours, and the leaflets were not returned until the referendum started. The same sort of thing took place in Donetsk, i.e. the possibilities to propagandize one question or another were infringed upon. Why did the commission not react?

"[Unidentified speaker] Well, in the first place I am not familiar with your information. We did not receive any written—I mean telegrams or phone calls—I was not informed of that. Regarding the fact that those leaflets with appeals were taken away in some places, I think it is not right; let us find out, maybe we must properly check things in order to put some official in his proper place, so to speak, so that we do not have similar violations in the future.

"[Pilsunetskyy] I am (Bohdan Pilsunetskyy), [word indistinct], election district 36. The results of the referendum have shown that both the leadership of the Supreme Soviet and all the members of the Supreme Soviet act in concert with our people. I want to make a proposition, Leonid Makarovych, and maybe the Supreme Soviet should support it, to instruct one of the commissions, maybe the commission for sovereignty, to elaborate a document or resolution based on these results of our Ukrainian opinion poll, which could be used as guidance by all of us and by our state organs

when signing or concluding treaties with Moscow or with other states. Because, the thing is that Gorbachev is forming the Cabinet of Ministers without knowing the results of the referendum; he does not recognize our sovereignty. This is very important. I make this proposition and I want you, I want the Supreme Soviet to support me. Let us adopt such a resolution."

[Bedzyk] Leonid Kravchuk, the leader of the Ukrainian legislature, summarized the discussion:

"The people of Ukraine have expressed themselves in favor of the Union and they have expressed themselves on the issue of what they want this Union to be like. For us, for the supreme soviet, it is perhaps the greatest task that one faces—to justify the will of our people. Nothing else is needed for this purpose. We have an opportunity to justify it. We must start elaborating and discussing the draft treaty, and this treaty must be built on the will of the Ukrainian people: in the first place to live in the Union, and to live in the Union our people want."

[Bedzyk] The issues commenced with the Union treaty were also examined at a session of the Narodna Rada [People's Council]—the official opposition. The session took place during an interval in the supreme soviet's work. It discussed the fact that the presidium of the supreme soviet examined the composition of the commission for elaborating the treaty, in which members of the opposition were included. Seven representatives of the Narodna Rada were recommended out of 20 deputies, members of the commission. Among them were Ihor Yukhnovskyy, Oleksandr Yemets, Volodymyr Pylypchuk, Levko Lukyanenko, Volodymyr Filenko, and Dmytro Pavlychko. Preliminarily, the nominations of Volodymyr Yavorivskyy and Ivan Drach were supported as well in the presidium. Some of the representatives of the Narodna Rada stressed at the session that it was necessary to take an active part in elaborating the Union treaty in order to make it fully correspondent with the sovereignty declaration. Volodymyr Filenko stressed in particular:

"It would be practical to expect political success in the struggle against Gorbachev's center only if we have an alternative. Therefore, we should elaborate such an alternative [word indistinct] [passage omitted]

"If we do not advance our opinion on the treaty, we may lose. Therefore, we should work on the treaty without ruling out the fact that we will not sign any Union treaties until the constitution of Ukraine has been adopted."

[Bedzyk] [passage omitted] Mykhaylo Kosiv described those demands as a camouflage with which the miners wanted to decorate their sole demand regarding the increase in salaries:

"[Kosiv] There are no political demands there; they are dreaming and making something up. The only political demand is the release of Stepan Khmara, and still it is only the Chervonograd miners who advanced that demand.

"[Unidentified Speaker] And Novovolynsk miners.

"[Kosiv] Well, and Novovolynsk ones too, the Lvov-Volhynia coal basin. And the Donbass miners do not really support this demand very much." [passage omitted]

[Bedzyk] Volodymyr Pylypchuk, chairman of the commission for economic reform issues, stressed that the strike might lead to a complete collapse of the Ukraine's economy:

"[Pylpchuk] [Words indistinct] the right-wing forces demand that such thing as martial law be introduced to put fear into people. Therefore, I as an economist think, seeing the situation which has arisen in Ukraine, that the strike is against the interests of the Ukraine's sovereignty. However, I would support the point that Ukraine should have its own budgetary, financial, credit, tax, and monetary policy, and if the miners included that in their demands, it would then make it possible to settle their issue of salaries. They should demand and support the mechanism which we suggest. This mechanism at present is in the hands of the Union government."

[Bedzyk] At the Narodna Rada session it was suggested that the deputies group of the Narodna Rada be formed to study all issues connected with miners's strike. At the plenary session the deputies started discussing the issues on the agenda, particularly examining a draft bill on consumer protection. [passage omitted]

Today, the deputies also started examining a draft bill on foreign economic activity. Viktor Urchukin, deputy chairman of the Council of Ministers, delivered a speech. It is stressed in the draft that foreign economic activity in Ukraine is based on the principle of the sovereignty of the people of Ukraine in conducting such activity, i.e. on the exclusive right of the people of Ukraine and the duty of all subjects to abide by the laws of our republic. Foreign economic activity is regulated only by the laws of the Ukraine. The Ukrainian state ensure equal protection of interests of all subjects of activity. [passage omitted]

Does it not seem to you that such an unstable political situation, particularly in Ukraine, frightens the giants of international business away. There is so far little cooperation between them and our republic. What should the Supreme Soviet and your commission in particular, do to improve this state of affairs?

"[Pavlychko] It is necessary that the law which we discussed be adopted and shown to them. It will give them confidence that they are dealing with a state, that they are investing their capital in a serious business, and that they will have profit from it. It is a joint enterprise and joint management with those people who want, in this case, to help us for various reasons."

IZVESTIYA Views Ukraine Referendum Results

PM2603111991 Moscow IZVESTIYA in Russian 25 Mar 91 Union Edition p 2

[Report by S. Tsikora under the general heading: "Returning to the Referendum"]

[Text]**In Favor of Real Sovereignty**

Kiev—By means of live broadcasts, Ukrainian television enabled its its viewers to become eyewitnesses of the counting of the referendum results at the central commission. According to information from local level, more than 80 percent of the total number of the republic's voters came to the polling places. The following are the generalized indicators of the expression of their will: The overwhelming majority of the republic's inhabitants expressed themselves in favor of preserving the Union. A number of violations were recorded. For example, when the number of ballots in the boxes at polling places exceeded the number of people who had taken part in the vote. But essentially this could not affect the republic's overall indicators.

The capital of the Ukraine, by setting some unique records, gave rise to general concern. Only 69 percent of voters came to the polling places, less than one half—a mere 44.6 percent of Kievans—expressed themselves in favor of linking their future with the renewed federation. Some 78 percent expressed preference for a Union of sovereign states. A question to this effect was included on the republic's ballot.

V. Boyko, chairman of the commission for holding the referendum in the Ukraine and the republic's minister of justice, said that the idea of a renewed Union was backed by approximately 70 percent of those who took part in the poll, while the idea of a Union of sovereign states, and the inclusion in it of the Ukraine on the basis of the conditions specified in its declaration on state sovereignty, was supported by 80 percent of the votes.

According to the claims of deputies from all the parties represented in the legislature, the republic poll which expressed in specific terms in what kind of Union the Ukrainian people want to live, will enable deputies to proceed with confidence during the work on the Union treaty. According to the declaration, the Ukraine reserves the right to control all production sectors, the banking and taxation systems, the use of land and its mineral wealth, and the power industry. The following statement of L. Kravchuk, chairman of the Ukrainian Supreme Soviet, indicates how seriously people in the republic take the question of sovereignty:

"I have been alarmed lately by remarks of the central leadership and in the Union press claiming that what is at issue now is no longer a union, but a strong unitary state. That is something quite different. We favor a new Union based on totally new principles in which states would be states and would enjoy normal and real sovereignty."

Ukrainian Deputy Khmara Indictment Confirmed

PM2503161791 Moscow PRAVDA in Russian 25 Mar 91 First Edition p 2

[Report by PRAVDA correspondent M. Odinets: "Investigation Closed"]

[Text] Kiev, 24 Mar—Our newspaper previously described how Militia Colonel I. Grigoryev was attacked in an underground passage on the Kreshchatik on the eve of a demonstration in honor of the Great October Revolution. A few days ago the Kiev City Prosecutor's Office confirmed the indictment on this criminal case.

It says that Ukrainian SSR [Soviet Socialist Republic] People's Deputy S. Khmara is charged with exceeding his authority by illegally obstructing Militia Colonel I. Grigoryev 7 November 1990 in the execution of his official duties. In the course of the incident the militia officer was beaten up and assaulted as a result of the actions of Khmara and the other defendants and had state and personal property and documents stolen.

Furthermore, S. Khmara has been charged with taking an active part in illegal group actions in gross violation of public order on 28 October 1990 during a solemn liturgy in St. Sofia's Cathedral conducted by Aleksey II, patriarch of Moscow and All Russia, with a view to preventing this religious ceremony.

The Kiev City Prosecutor's Office took the case to the Ukrainian SSR Supreme Soviet for examination on its merits. You would have thought that everything was clear. But subsequently, speaking on behalf of the miners of the Lvovsko-Volynskiy coalfield, S. Besaga from Chervonograd included on the list of the striking miners' demands a demand for S. Khmara's release, thus trying to illegally reverse the judgment passed on the offenders.

Caucasus

TASS Reports Clashes, Refugees in S. Ossetia

LD2503154891 Moscow TASS in English 1504 GMT 25 Mar 91

[By TASS correspondent Valeriy Shanayev: "Situation Deteriorating in South Ossetia"]

[Text] Vladikavkaz March 25 TASS—The situation in South Ossetia, a constituent autonomous region of Georgia, remains extremely tense. Clashes between pickets consisting of armed Georgian and Ossetian groups have developed into combat operations.

TASS today learnt at the press centre of the North Ossetian republican emergency committee that shots were again heard in Tskhinvali and its suburbs early today. Some residents were seriously wounded.

Both sides use automatic weapons, large-calibre machine-guns, grenade launchers and unguided missiles.

Georgian gunmen on armoured carriers stormed into the Ossetian villages of Zelepi, Prinevi and Khslipi at noon on Sunday [24 March]. They shot and wounded eight people.

The South Ossetian region is still blockaded. There are stoppages in electricity, water and gas supplies to Tskhinvali, capital city of South Ossetia. Industrial enterprises, shops and utility services are shut down.

Telephone and telegraph communications with Tbilisi and Vladikavkaz are out of work. The city feels a shortage of foodstuffs. Doctors warn of epidemics.

According to the Georgian mass media, "no shooting or arsons of Ossetian houses were registered in South Ossetia" over the last three days.

However, according to the information of the North Ossetian Interior Ministry, Georgian gunmen continue looting and expelling Ossetian families from their homes. They occupied over 30 villages in the region, out of which the Ossetian population was banished.

Georgian families also depart from the conflict zone, leaving behind their homes. According to the information of the all-Union Interior Ministry, the total number of refugees tops 25,000 on both sides.

North Ossetian Prime Minister Sergey Khetagurov said that the republic is unable to house refugees any more. All health centres and dormitories at factories are packed.

Therefore, the North Ossetian leadership called on central authorities and the leadership of neighbouring North Caucasian republics to receive some refugees from South Ossetia and other areas of the Georgian Republic.

A crime wave has risen in Vladikavkaz and North Ossetian rural areas: the number of robberies, murders and attacks on militia precincts to seize weapons has increased.

The North Ossetian Government took additional measures to stabilise the situation in the republic and prevent armed conflicts.

Russian parliament President Boris Yeltsin and Georgian parliament President Zviyad Gamsakhurdiya devoted much time to discuss the problem of refugees and the stabilisation of the situation in the region during their confidential meeting in the Georgian city of Kazbegi.

Moscow Radio Reviews South Ossetia Situation

LD2503220291 Moscow All-Union Radio First Program Radio-1 Network in Russian 1900 GMT 25 Mar 91

[Text] Tbilisi—During the past night, shelling of the temporary headquarters and of the Georgian militia posts near the entrance into Tskhinvali was repeated, the press center of the Georgian Ministry of Internal Affairs has reported.

According to unconfirmed reports, clashes took place yesterday between the Ossetian and the Georgian populations in (?Kornisskiy) Rayon—previously Znauri Rayon. The sparse amount of information coming from the area of conflict is explained by the press center as resulting from the fact that subunits of the Georgian Ministry of Internal Affairs are only controlling the approaches to the town.

Vladikavkaz—Shots rang out again in and around Tskhinvali during the past night. The Georgian side fired on residential areas from the side of the state motor vehicle inspector's post. The Ossetians returned the fire. Some residents were injured. This information was received by the TASS correspondent at the press center of the extraordinary committee attached to the chairman of the North Ossetian Soviet Socialist Republic Supreme Soviet.

Moscow—In many settlements of South Ossetia, exchanges of fire were noted in the last 24 hours, a TASS correspondent was told at the USSR Internal Affairs Ministry press center. Yesterday, a USSR Interior Ministry task force received a report on an attack by guerrillas on four villages in Znauri Rayon where Ossetian people live. Forty USSR internal troops drove there in six armored personnel carriers [APC]. The column was stopped on the way by two explosions. Soldiers who had left the APC came under fire. As a result of the servicemen returning fire, three Georgian guerrillas were killed, two were injured, and five were detained. Weapons and ammunition were confiscated.

Georgian Supreme Soviet Address to 'World Public'

AU2503112891 Tbilisi SAKARTVELOS RESPUBLIKA in Georgian 21 Mar 91 p 1

[Address by the press center of the Supreme Soviet of the Republic of Georgia; place, date not given: "Address to the World Public"]

[Text] On 18 March of this year, there occurred an appalling incident that is without precedent, even during wartime. Four young people—Merab Mindiashvili, Vakhtang Elbakidze, Zviad Khapreli, and Nugzar Kasradze—were tied to a tree and burned alive by Ossetian extremists.

At its session on 20 March 1991, the Supreme Soviet of the Republic of Georgia gave an appropriate evaluation of this act of vandalism and there was a minute's silence in honor of the memory of the victims.

The Supreme Soviet of the Republic of Georgia calls upon the humane world public to raise its voice against this terrible crime.

Referendum on Sovereignty Begins in Georgia

LD2303153891 Moscow TASS in English 1520 GMT 23 Mar 91

[By TASS correspondent Igor Gvritishvili]

[Text] Tbilisi March 23 TASS—A referendum on the restoration of state independence of Georgia began in this Transcaucasian republic today. Polling stations are open to those who will not be able for this or that reason to vote on March 31—the official date of the referendum.

People are to answer the question: "Do you agree to the restoration of Georgia's state independence on the basis of the Independence Act of May 26, 1918?" In other words, the point at issue is secession from the Soviet Union.

The Georgian leadership decided not to hold on the republican territory the referendum on the future of the Soviet Union, held all over the country on March 17. However, two autonomous republics—South Ossetia and Abkhazia—held the referendum, and about all those who took part in it said "yes" to the Union.

The determination of Ossetians and Abkhazians to remain in the Soviet Union made even more complicated the internal political situation, characterised by inter-ethnic clashes. An armed conflict is going on in South Ossetia between Georgians and Ossetians.

Inter-ethnic strife goes together with disintegration of the Georgian economy. An acute energy crisis brought about the reduction of output in all industries and put many enterprises on the brink of a stoppage.

Organizers of the referendum intend to hold it on March 31 simultaneously with elections to local government bodies. Representatives of 28 political parties will take part in it.

Adzhar Decides Not To Sign Union Treaty

LD2203153891 Moscow All-Union Radio Mayak Network in Russian 1400 GMT 22 Mar 91

[Text] The Supreme Soviet of the Adzhar Autonomous Republic has decided to refrain from signing a new Union treaty. There is no information about the extent to which this decision reflects the will of the republic's people, on whose behalf the legislature is acting.

Three days before the holding of the Union referendum, the republic's supreme soviet hastily decided not to conduct it on the territory of Adzharia.

Tbilisi Airport Closing for 'Technical Reasons'

PM2503163791 Moscow IZVESTIYA in Russian 25 Mar 91 Union Edition p 1

[Report by TASS correspondent A. Kochetkov: "Tbilisi "Grounded" in April..."]

[Text] Anyone who intends to fly to the capital of Georgia in April will have to change their plans: From 3 through 20 April the local airport will be temporarily closed for technical reasons. A minimum number of flights—four flights to Moscow and one each to Leningrad and Tashkent—will take place during the aforementioned days from the military airfield near Tbilisi. At the same time the number of flights from Sukhumi, Batumi, and Kutaisi airports to Moscow, Kiev, Vilnius, Tallinn, and a number of the country's other cities will increase, TASS correspondent A. Kochetkov reports.

Armenia Complies With USSR Price Increases

NC2503111691 Yerevan Domestic Service in Armenian 1730 GMT 22 Mar 91

[Text] The increases in retail prices and wages, and social security for the population have been actively examined over the last few months.

Yesterday, the press published the USSR president's decree on the reform of retail prices, social security for the population and the agreement between the Soviet Union and the republics concerning these matters.

The Armenian Republic's Council of Ministers Presidium met yesterday and examined this issue and decided the following: Considering the present economic situation and the fact that none of the republics, including Armenia, could reject the price increases imposed by the center, the implementation of the relevant decision on the territory of the Armenian republic is hereby permitted.

The financial compensations to the population will be put into effect as of 22 March. The compensation covers all strata of the population. As of today, the payment of compensation will start for the retirees, students and recipients of social benefits. The workers will receive compensation as part of their wages.

The Council of Ministers [Presidium] also instructed the State Committee for Economy, Finance Ministry, Labor and Social Security Ministry to put forward proposals to complete and perfect the aforementioned law by taking into account the grave social situation of our people.

The financial compensation to the population on the territory of the republic will come from the additional revenues that will be obtained from the higher prices.

Yerevan Reports Armenia-Bound Goods 'Plundered'

NC2503124791 Yerevan International Service in Armenian 1630 GMT 23 Mar 91

[Text] Goods sent for the national economy of Armenia are still being plundered on the territories of Georgia and Azerbaijan despite the fact that the attention of the leaders of the neighboring republics has been drawn to this on many occasions.

The eight freight cars of hay and seven trucks of [word indistinct] destined for the Armenian Republic's Agriculture Ministry disappeared while on Georgian territory. The same happened to the butter and powdered milk destined for the Trade and Foodstuff Industry Ministries of the republic while being transported across Azerbaijan and Georgia respectively.

Numerous (?cases) of plundering of goods belonging to the Armenian cooperative organizations have also been reported on the territories of the neighboring republics.

Iranians Celebrate Nauruz Holiday in Azerbaijan

LD2203152791 Moscow TASS in English 1445 GMT 22 Mar 91

[By AZERINFORM-TASS correspondent Natan Barskiy]

[Text] Baku March 22 TASS—President Ayaz Mutalibov of Azerbaijan has received a group of officials from Iran, headed by the Iranian president's adviser Ayatollah Musavi Ardebelli.

They are participating in the celebration of the national Azerbaijani holiday Nauruz.

Nauruz, celebrated for the first time in many decades, is declared a state holiday.

The Iranian guests were also received by Azerbaijani Prime Minister Gasan Gasanov.

They discussed the development of bilateral contacts at all levels and stressed the need to start exchanges of delegations and ease restrictions for people wishing to reunite with their relatives in Azerbaijan and Iran.

The meetings were held in a friendly atmosphere.

Today, the group was received by chairman of the Muslim board for Transcaucasia Shaykh Hojjat ol-Eslam Allakhshukyur Pasha-Zade [name as received].

He briefed the guests on new opportunities for believers that arose in the Soviet Union, including in Transcaucasia and Azerbaijan, over the past few years.

He said an Islamic institute, a higher theological educational establishment, opened in Baku this year. The city has a madrasah. Thirty mosques reopened after restoration.

The Koran, religious periodicals and the newspaper ISLAM are published in the republic.

The guests attended a sermon at the Taza-Pir mosque in Baku and met Moslems.

Central Asia

Turkmen Supreme Soviet Replaces Law Officials

LD2503192191 Moscow Central Television Vostok Program and Orbita Networks in Russian 1530 GMT 25 Mar 91

[Text] The Sixth Extraordinary Session of the Turkmen Soviet Socialist Republic [SSR] opened in Ashkhabad today.

[Correspondent K. Babayev] A draft treaty on the Union of Sovereign Republics was discussed. On the whole, the majority of deputies approved the text of the published draft by expressing themselves in favor of the republics being within the composition of the federation. Now, on the eve of the reform of retail prices, the draft law on pension provisions for Turkmen SSR citizens is quite timely.

Participants in the session declined the proposal by Deputy (Tarnakuliyev) to include an issue on measures for social protection of the population for the period when a substantial part of it will not be interested in buying many of the items that will be on offer in the shops. Inhabitants of the republic, particularly in rural areas where every other family has many children, are concerned about whether the government will manage to keep its promise and maintain prices for flour, bread, and many essential goods at their previous level. Incidentally, deputies have been offered a draft law on the inclusion of amendments and additions to some legislative acts of Turkmen SSR on issues relating to women, the family, and children. A number of personnel questions were resolved at the session. (Atayev) was appointed chairman of the republican Supreme Court in place of Yusupov, who has retired. In place of Arkhipov, chairman of the State Security Committee, and Vasilyuk, republican procurator, both of whom have been transferred to other posts, (Kopekov) and (Kasymov) were appointed. (Khopdzhimberdyyev) has been appointed minister of justice and Ashirov has been appointed chairman of the State Control Committee.